

Oklahoma House of Representatives

2010 Session in Review



**Measures Passed During the Second Session
Of the 52nd Oklahoma Legislature
Convened February 1, 2010
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Preface and Acknowledgments

The *Session in Review* provides a summary of the Oklahoma Legislature's substantive work during the 2010 session and is organized alphabetically by general topic. Every bill (with the exception of appropriation bills) and joint resolution passed by the Legislature is summarized in the document. The House Fiscal Division is publishing a detailed review of the FY-2011 appropriations.

A brief description of the session's major legislation is available in the *Session Overview*, prepared by the House Committee Research Staff. All three of these documents may be found on the House of Representatives' Internet website at <http://www.okhouse.gov> under the Information tab.

Copies of legislation may also be obtained electronically from the House of Representatives' website at http://www.okhouse.gov/Legislation/Leg_Text.aspx.

During the Second Session of the 52nd Legislature, 2,299 measures and joint resolutions were introduced of which 482 were enacted into law. One Senate Concurrent Resolution is included due to its national significance. The governor vetoed 40 bills. The House of Representatives and Senate overrode three of these vetoes. The historical context of this data is shown in Appendices 1, 3, and 6 of this report.

The House Research Staff, under the leadership of its director, Dante Giancola, and composed of Marcia Goff, Arnella Karges, Dawn Marks, Jessica Russell, Colin Swearingen, and Brad Wolgamott, deserves the credit for preparing this document. Also making important contributions to the project were the House legal staff and the House fiscal staff. Special thanks to research staff who helped edit this document. A word of special gratitude is also extended to Nancy Lutes of the Support Staff whose expertise and dedication made this project a success.

Dawn Marks
House Research Staff

Explanatory Notes

In a number of instances, individual bills can be found in more than one section of the document. The index at the back of the document indicates the page(s) where a specific bill can be found. The bold-facing of an individual bill indicates the first mention of the measure within a subject area. Measures vetoed by the governor are mentioned in Appendix 5 along with the governor's veto message. The abbreviations HB, HJR, SB, and SJR respectively stand for House Bill, House Joint Resolution, Senate Bill, and Senate Joint Resolution.

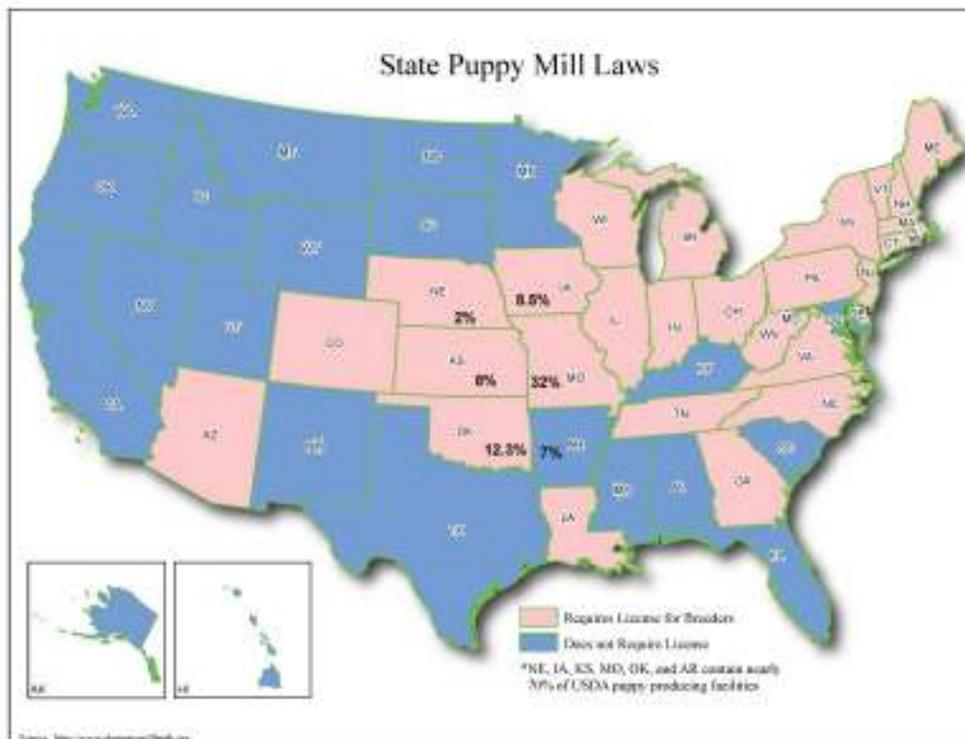
In the appendices of this document are charts for this year and the past ten years showing the number of bills and joint resolutions introduced and enacted, the number of vetoes, the total amount of state monies appropriated, and a general breakdown of the FY-2011 appropriations. Finally, descriptions of all state questions which will potentially be on the ballot for the 2010 general election are included.

Agriculture & Rural Development

The Legislature passed several measures affirming the importance and value of agriculture and rural life in Oklahoma.

With the enactment of **SB 1712**, Oklahoma joined several other states, as shown in the map below, to require licenses for pet breeders. Before, Oklahoma and Missouri were the only states with no state regulation of high volume breeders. The measure creates the Commercial Pet Breeders Act, to be administered by the newly created Board of Commercial Pet Breeders, under the authority of the State Board of Veterinary Medical Examiners. The board will establish license procedures, training and qualifications for inspectors, standards of care of animals, and procedures for sale of animals. Procedures include prohibiting the sale of animals in retail or public parking lots and requiring a health certificate from a licensed veterinarian accompany the sale of each animal. The measure creates the Commercial Pet Breeders Enforcement Fund, consisting of fees, fines, and penalties collected under the act to be used for enforcement of the act.

The Board of Commercial Pet Breeders will hire an executive director and create standing or ad hoc committees. The executive director of the board may employ necessary personnel and authorize disbursements for office expenses, equipment costs, and other resources. The board also is authorized to contract with another state agency, political subdivision, local animal control, or a registered breeder inspector to enforce the act and its rules.



The board is required to annually inspect each facility of licensed commercial pet breeders. The board is required to maintain a website listing commercial pet breeders licensed in Oklahoma and commercial pet breeders whose licenses have been denied or revoked. *Commercial breeders* are defined as any entity that has 11 or more female animals for breeding dogs or cats for sale.

The act authorizes municipalities or counties to further regulate the possession, breeding, or sale of dogs or cats. SB 1712 also authorizes the Board of Commercial Pet Breeders, a local animal control authority, or a registered breeder inspector to investigate alleged violations of the act upon receipt of a written complaint.

The measure prohibits commercial breeding in Oklahoma without a commercial pet breeder license for each facility or physical location owned and operated in Oklahoma, whether or not the commercial pet breeder has 11 or more intact female animals at each location. Licensees are required to submit an annual report to the board, including number of breeding animals and other necessary, operational information per facility. Violations of the act are considered a misdemeanor, punishable by fine.

The board is authorized to establish rules, standards, procedures, and fees necessary to implement the act by January 1, 2011

HB 3202 provides for the certification of teeth floating practitioners by the State Board of Veterinary Medical Examiners. The annual certification fee is \$200. *Teeth floating* is defined as removal of enamel points and smoothing, contouring, and leveling dental arcades and incisors of equine and other farm animals.

A teeth floater must complete at least 80 hours in equine dentistry at the Texas Institute of Equine Dentistry, the Academy of Equine Dentistry, or other similar program, or be certified as an equine dental technician by the International Association of Equine Dentistry or its equivalent to receive Oklahoma certification. The person must also complete four hours of continuing education each year for the renewal of the certification.

When prescription drugs are used in teeth floating, the horse's owner must contact a veterinarian licensed by the state. If the veterinarian determines that prescription drugs are needed, he or she may assemble them and allow the owner or owner's agent, who can be a teeth floater, to pick up the drugs and deliver them to the owner. No prescription drugs may be prescribed, dispensed, or administered without the establishment of a valid client-patient relationship between the horse owner and the veterinarian.

The bill also clarifies that the Oklahoma Veterinary Practice Act does not prohibit animal husbandry, teeth floating, and farriery.

Finally, HB 3202 requires that of the five licensed veterinary members of the State Board of Veterinary Medical Examiners, one must be an equine practitioner and one must be a large animal practitioner.

In order to encourage out-of-state dealers to do business in Oklahoma, **HB 3203** repeals the state's Livestock Dealers Act that required all dealers to obtain a state dealer license for the sale or purchase of livestock.

SB 2095 authorizes the state veterinarian, upon permission of the State Board of Agriculture, to issue emergency orders governing animals to protect people and animals from diseases and pests of animals. Emergency orders may include the following:

- Prohibiting importation of animals;
- Requiring testing of animals;
- Requiring vaccination of animals; and
- Prohibiting moving of animals within the state.

The measure requires emergency orders to expire on the date established in the order or within 90 days, though the state veterinarian may renew the order for successive 90-day periods.

HB 3285 allows the sale of strayed livestock to slaughter facilities. Under the existing law a sheriff only had the option of selling the animal to the nearest livestock auction market.

HB 2295 amends the Oklahoma Cervidae Act by requiring the initial application for a farmed cervidae license to contain several pieces of identifying information about the owner, the facility, the facility's inventory, and the property. The application must also include what method the facility will use for carcass disposal. The scientific classification of the family Cervidae includes most species of deer, such as Whitetail Deer, Blacktail Deer, Mule Deer, Red Deer, and Sika Deer, along with similar species such as antelope, elk, moose, and caribou.

A facility may not receive a license until the Oklahoma Department of Agriculture, Food, and Forestry inspects it. This inspection must take place within 90 days prior to issuing a new license. After this initial prelicensing inspection, the department must inspect the facility at least once every other year. The department may investigate written complaints at any time and may revoke licenses under certain circumstances.

The department will oversee rules regarding the application and licensing process, including the expiration date, application fees, procedures for transfer of ownership, importation requirements, fencing requirements, limits on the size of licensed facilities, and record-keeping requirements. Facility licenses expire on June 30 of each year, and owners must submit renewal applications no later than February 15 of that year. Late applications are subject to a 10 percent penalty.

Finally, **HB 2295** permits the owner or operator of a farmed or commercial cervidae facility to sell or trade the antlers or horns of a farmed or commercial cervidae as long as the skull is attached.

HB 2625 allows operators of a vehicle transporting horses or livestock, providing the person was not hired to transport the livestock and the vehicle displays a sign stating "NOT FOR HIRE," to be exempt from the requirement of having a certificate listing the owner and other information.

HB 2958 exempts trucks loaded with hay from securing the load to prevent items from falling off the truck. The measure also provides a definition of *split tandem axle* as used in the size and weights statutes.

HB 2967 relates to documentation required to be carried by operators of any truck or other vehicle transporting farm products. The measure clarifies the definition of *certificate* to include electronic manifests and other similar documents that include all required information.

HB 3015 makes healthy corner stores eligible for loan packages up to \$350,000 through the Agricultural Linked Deposit Program. The Agricultural Linked Deposit Program was established in 1987 to assist participating banks in lowering interest rates on loans for qualifying farms and agricultural-related businesses. *Healthy corner stores* are defined as grocery stores certified by the Oklahoma Department of Agriculture, Food, and Forestry that market fresh fruits and vegetables and nutritious foods. The sale of beer and tobacco must comprise less than 10 percent of gross sales, excluding gas and nongrocery items.

HB 3398 allows the State Board of Agriculture to inspect milk production, processing, and distribution facilities. It also allows the board the ability to disseminate rules establishing fees for inspection and permits. Under the old law, these duties were charged to the agriculture commissioner.

SB 2096 amends provisions regarding unpaid checks to the Department of Agriculture, requiring a debt be considered uncollectable after all appropriate collection remedies have been exhausted. SB 2096 requires a list of all uncollectable debts be sent to the Legislature, the Office of State Finance, and the Oklahoma Tax Commission by May 1 of each year.

SB 1956 creates the Agriculture Mediation Board to oversee the Oklahoma Agriculture Mediation Program. The program provides mediation services to all individuals, businesses, and state and federal agencies in production agriculture and agriculturally or environmentally related activities.

SB 1330 creates the Invasive Species Task Force to create a statewide plan for eradication of invasive species. Invasive species are those species that are detrimental to the natural resources and agricultural production in the state as well as those that pose a potential disease risk. Feral swine, eastern red cedar trees, and zebra mussels are all examples of invasive species found in Oklahoma. The task force must report its findings to the president pro tempore of the Senate and the speaker of the House of Representatives by December 31, 2010.

HB 2686 creates the Eastern Red Cedar Registry Board Act to create a marketable product for this invasive species. The registry board's duties include:

- Providing for administration of the registry;
- Promoting harvesting of the trees;
- Maintaining harvesting records;
- Developing new uses and markets for the trees and products;
- Promoting marketing, research, and education efforts concerning the trees; and

- Preparing an annual report of all activities for each fiscal year and filing it with the governor, the speaker of the House of Representatives, and the president pro tempore of the Senate, contingent upon available funds.

This measure allows harvesters registered with the board to have access to trees harvested from state lands. HB 2686 also requires the Department of Central Services to give preferences to Oklahoma-harvested wood when accepting bids for wood products and materials.

Finally, the measure also creates an Eastern Red Cedar Tree License Plate and the Eastern Red Cedar Revolving Fund.

HB 2573 directs basic salaries to be increased for county officers in every county in Oklahoma. The salary of all specified county officers will be increased from the applicable basic salary. The measure also provides that unless a contract exists between a hospital and the county for medical care and treatment of inmates in the county jail, a hospital must accept, as payment in full, reimbursement from the county according to the current fee schedule of the State and Education Employees Group Insurance Board in effect at the time services were rendered, provided that payment is made by the county within 45 calendar days of submission of a claim.

To improve the quality of life in rural communities in Oklahoma by ensuring access to basic medical care, **HB 1043** creates the Oklahoma Medical Loan Repayment Program. Contingent upon available funding, the bill provides educational loan repayment assistance to primary care physicians who agree to practice in an Oklahoma community approved by the Physician Manpower Training Commission. Up to six physicians will receive \$25,000 per year for five years. To be eligible, physicians must be licensed to practice medicine in Oklahoma, be newly graduated from medical school, and be practicing medicine. Preference will be given to graduates of the Oklahoma State University College of Osteopathic Medicine and the University of Oklahoma College of Medicine.

HB 1888 is aimed at developing and preserving emergency medical services across the state, particularly in rural areas. The measure requires, by April 1, 2011, each county with a population of 500,000 or less submit an emergency medical services plan to the Oklahoma State Department of Health. The Emergency Response Systems Development Advisory Council of the health department and each county emergency services advisory board will develop the plan to address funding issues, ensure countywide emergency medical service coverage, and address county boundaries to ensure 911 operators can provide a quick response. The measure also requires ambulance service providers within a licensed area to act regardless of the patient's ability to pay.

As stated in the legislative intent, to balance the FY-2011 budget, **SB 1267** establishes a two-year moratorium on an assortment of specified tax credits. The moratorium will be in effect from July 1, 2010, through June 30, 2012.

For purposes of agriculture and rural development, the following tax credits fall under the moratorium:

Agriculture and Rural Development

- Income tax credit for agricultural producers' investments in Oklahoma agricultural commodities;
- Tax credit for qualified ethanol facility;
- Income tax credit for qualified biodiesel facility;
- Income tax credit for purchase and transport of poultry litter, \$10 per ton up to \$375,000 each year;
- Income tax credit for breeding specially trained canines, equal to 50 percent of direct costs; and
- Tax credit for loans made under the Rural Economic Development Loan Act.

Under the provisions of **SB 441**, beginning July 1, 2010, a waste tire recycling fee of 5 cents per pound of the weight of the tire will be assessed on tires used on implements of husbandry and agricultural equipment that are not more than 14 inches wide and 44 inches in diameter. A minimum fee of \$2.50 is required per tire.

In addition, beginning July 1, 2013, tires used on the above equipment that are any size must be assessed a waste tire recycling fee of 5 cents per pound of the weight of the tire, with a minimum fee of \$2.50 per tire. The Department of Environmental Quality is required to maintain a list of agricultural tire weights for tires subject to the assessment. The list must be available to tire dealers upon request.

SB 441 also specifies that tire dealers assess no fees when customers elect to retain the used tire for use on a farm or ranch. Tire dealers are authorized to pay the assessed fee for any waste tires in current inventory and include those tires in the waste tire recycling program. A waste tire facility or tire derived fuel facility is required to collect and transport agricultural equipment tires that are not more than 14 inches wide and 44 inches in diameter beginning July 1, 2010. Facilities are required to collect and transport agricultural equipment tires of any size beginning July 1, 2013.

Definitions were updated in the Oklahoma Vehicle License and Registration Act by **HB 2883** to include definitions relating to powersports vehicle and powersports vehicle dealer. *Powersports vehicles* are motorcycles, scooters, mopeds, all-terrain, and utility vehicles. The measure also provides an exception for dealers who are principally agricultural or farm implement dealers but also sell powersports vehicles.

Banking and Financial Services

Several bills affecting the financial sector were passed in the 2010 legislative session amending procedures for lenders, banks, and the state's financial regulatory agencies.

To protect consumers from hidden fees for retail transactions, **SB 1648** prohibits retailers from charging a fee on any debit card transaction, therefore requiring debit card transactions to be regulated the same as credit card transactions are currently regulated.

A bill amending the Oklahoma State Banking Department's duties and procedures includes a number of changes, particularly new processes for addressing bank closures and applications for reorganization. **HB 2779** includes the following provisions:

- Modifies qualifications for the appointment of a deputy commissioner;
- Prohibits third party access to special and routine examinations and reports in the possession of a financial institution under the department's purview;
- Requires that the commissioner's annual report to the governor be published on the banking department's website, eliminating the more costly requirement to produce 25 copies;
- Authorizes the State Banking Board, at a closed meeting, to approve an acquiring bank's organization for a bank or savings association that is in danger of failing;
- Authorizes the commissioner to grant a certificate of authority without a board hearing in such an event;
- Requires the commissioner to take possession of a bank in danger of failing, upon board approval, at a closed meeting;
- Authorizes the board to order the commissioner to submit to the Federal Deposit Insurance Corporation (FDIC) the appointment as liquidator of the bank;
- Authorizes the board to consider the commissioner's recommendations directed at improving the failing bank's conditions;
- Allows applicants seeking to reorganize a failed bank or company an opportunity to correct deficiencies in such application; and
- Requires public notice of acceptance of the application.

Affecting numerous professions under the jurisdiction of the Oklahoma Department of Consumer Credit, **HB 2831** expands the authority of the Commission on Consumer Credit by repealing current fees for licenses, exams, and investigations established in statute and authorizes the Commission on Consumer Credit to establish these fees through administrative rule. The measure repeals exam and license fee amounts as established in the Uniform Credit Code, Credit Services Organization Act, Oklahoma Pawnshop Act, Precious Metal and Gem Dealer Licensing Act, Oklahoma Rental-Purchase Act, Oklahoma Health Spa Act, Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, and the Deferred Deposit Lending Act, although no fee prescribed after July 1, 2011, will be in effect unless approved by the Legislature. It is

important to note that initial fees, established prior to July 1, 2011, will be set by emergency rule by the commission.

HB 2831 caps examination and investigation fees to not increase more than \$200 every three years and annual license fees to not increase more than \$100 every three years. Disbursement of funds are for 70 percent of the fees and civil penalties collected by the Department of Consumer Credit pursuant to the acts under its enforcement to be deposited in the Consumer Credit Administrative Expenses Revolving Fund and the remaining 30 percent to be deposited in the General Revenue Fund. The measure also authorizes any funds in the Consumer Credit Investigation Fund, the Health Spa Revolving Fund, the Oklahoma Mortgage Broker and Mortgage Loan Originator Revolving Fund, and the Oklahoma Deferred Deposit Lending Revolving Fund as of July 1, 2010, to be transferred to the department's revolving fund. The division of money will not apply to fees for the Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund and fees from lenders for consumer counseling services.

HB 2831 repeals fees for those required to file notification with the Department of Consumer Credit and adds new language to treat such entities as a licensee, and therefore subject to licensing fees.

HB 2831 renames the Oklahoma Deferred Deposit Lending Regulatory Revolving Fund the Consumer Credit Counseling Fund and requires the fund to consist of fees from deferred deposit lenders for consumer credit counseling services as current law requires. The measure modifies references to the newly named fund and authorizes 10 percent of deferred deposit lender fees to be transferred to the department's revolving fund for expenses incurred in administration of the consumer credit counseling program.

The measure also repeals sections creating the Consumer Credit Investigation Fund, the Health Spa Revolving Fund, and the Oklahoma Mortgage Broker and Mortgage Loan Originator Revolving Fund due to the authorized transfers.

Amending requirements for financing public trusts, **HB 2615** exempts the following types of public trusts from certain financing and refinancing requirements: facilities for aged or disabled persons by nonprofit, religious, or benovolent organizations; county, municipal, or nonprofit hospitals.

The public housing projects exempt from certain financing requirements will affect only property that is subject to ad valorem taxation or financing or refinancing the construction, acquisition, or improvement and rehabilitation of existing housing projects not subject to ad valorem taxation immediately before any financing or refinancing. Additionally, the measure requires that housing projects which were exempt from ad valorem taxation immediately before financing or refinancing will not become subject to ad valorem taxation because they are financed or refinanced by a public trust.

HB 2936 increases financial institutions' reimbursement rates for preparing financial records for government authorities. New search and processing rates are:

- For clerical or technical personnel, no more than \$22 per hour per person (currently at \$11); and
- For management or supervisory personnel, no more than \$30 per hour per person (currently at \$17).

Changes to laws regulating funeral and burial services in **SB 2042** amend the Perpetual Care Fund Act by modifying the amount of funds that a cemetery must maintain in its Perpetual Care Fund from \$100,000 under current law, to an amount equal to or less than the standard insurance amount per depositor as provided by the Federal Deposit Insurance Corporation (FDIC).

The measure transfers regulation of records, the filing of contracts and reports, and all other matters for the orderly administration and implementation of the Perpetual Care Fund Act from the state banking commissioner to the insurance commissioner, including funds previously deposited in the Cemetery Merchandise Trust Act Revolving Fund. The measure also transfers administration and enforcement of the Cemetery Merchandise Trust Act from the state banking commissioner to the insurance commissioner.

SB 2154 modifies language related to actions to enforce a mortgage, deed of trust, or other lien or charge.

Business, Industry, and Labor

The Oklahoma Legislature considered and passed a number of bills affecting businesses, generally through workers' compensation reforms and various insurance reforms, and other bills affecting specific enterprises by streamlining, professionalizing, and regulating various industries.

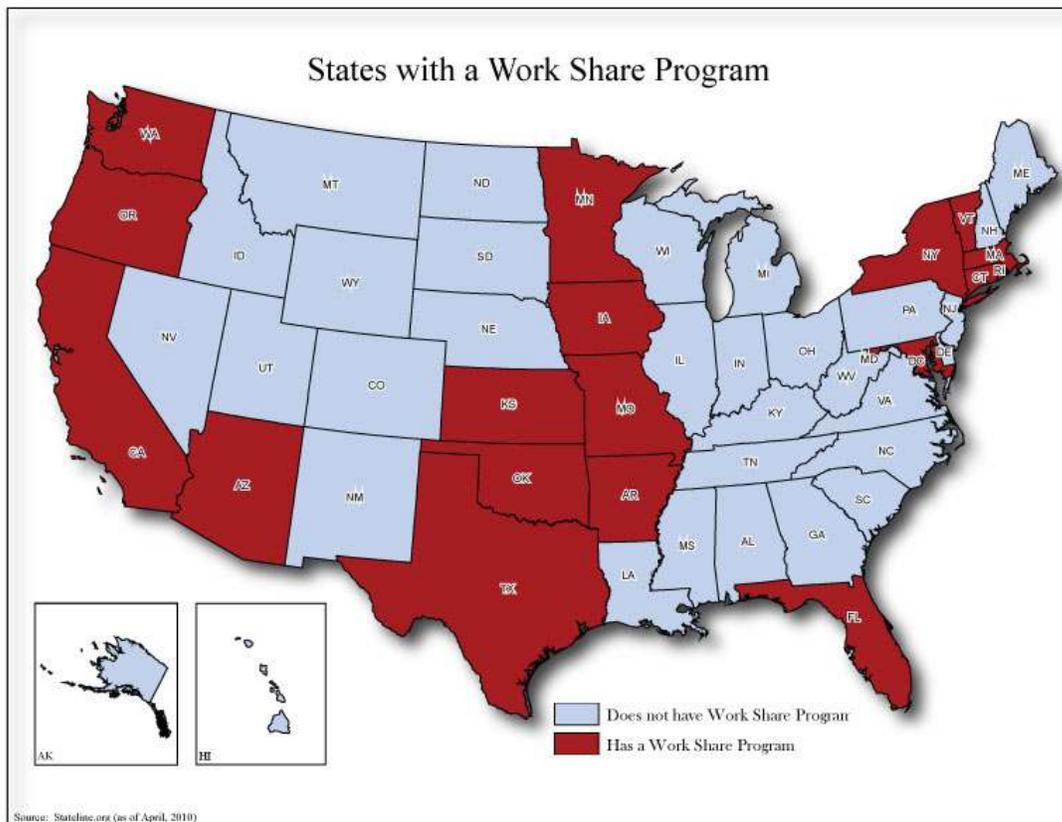
Like nearly 20 other states that have created similar efforts, **SB 1970** creates the Shared Work Unemployment Compensation Program to reduce unemployment by allowing the employees of an affected unit to share the work remaining after a reduction in their normal weekly hours of work. An explanation of how the program works is discussed in an April 7, 2010, article, "Work shared, jobs spared," published by Stateline.org:

When a business enters a slump and needs to cut payroll, it can seek state approval for a plan to reduce employees' hours instead of cutting jobs. For example, a 20 percent reduction in the workforce could translate to a 20 percent reduction in hours, or a four-day workweek. To help employees stay afloat, the state would pay workers about half of their lost wages through the federal-state unemployment insurance program, which temporarily provides laid-off workers with a portion of their paychecks.

The Oklahoma measure includes the following provisions:

- Requires the Oklahoma Employment Security Commission (OESC) to establish a voluntary Shared Work Unemployment Compensation Program;
- Establishes an application and approval process for the program;
- Establishes guidelines for approval of a shared work plan, including the employer must employ at least 100 employees, and the program must apply to at least 10 percent of an affected unit and at least 50 employees in the company;
- Prohibits a shared work plan from being implemented to subsidize seasonal employers during the off-season and those who employ workers less than 32 hours a week;
- Requires OESC to approve or deny a shared work plan within 30 days and provides an appeal process for the employer upon denial;
- Establishes a time period for expiration and procedure for changes to a shared work plan;
- Defines *unemployment* for eligibility of unemployment benefits under a shared work plan;
- Establishes weekly and annual limits on benefits;
- Requires the participating employer to file the weekly claims for the shared work benefits on behalf of the participating employees; and
- Authorizes the OESC to cancel shared work plans.

The map below shows states that have a shared work unemployment compensation program.



For businesses that file and operate as limited partnerships, the Uniform Limited Partnership Act of 2010 created in **SB 1132** revises current law by creating new sections of law and repealing the current Oklahoma Uniform Limited Partnership Act and the Oklahoma Revised Uniform Limited Partnership Act. The new act reflects modern business practices and represents a greater refinement of the scope and uses for limited partnerships (LP). The act establishes guidelines for organization of limited partnerships, defines rights and liabilities of both limited and general partners, and outlines registration requirements for LPs. More information about this act may be found at the [home page](#) of the National Conference of Commissioners on Uniform State Laws web site under “Final Acts & Legislation.”

For definitions related to discrimination in employment, **SB 1814** adds a definition of *based on sex* to include, but not be limited to, expectant mothers so they are treated equally for employment-related purposes.

SB 1891 forbids an employer from discriminating against an employee who refuses to participate in procedures that are at odds with the employee’s religious beliefs. These procedures include abortion, embryonic stem cell research, and assisted suicide but do not include prescribing birth control. Employers may not discriminate against hiring someone who refuses or intends to refuse to participate in any of these procedures.

A person who is adversely affected by conduct that is in violation of this act may bring a civil action for equitable relief, including reinstatement or damages.

Due to duplication of reporting, **SB 1628** repeals the section of law requiring the commissioner of labor to annually produce a list of the most dangerous industries based upon frequency of occupational injuries. The measure also repeals the section of law requiring state contracts to be with contractors who have not less than 90 percent of their nonprofessional employees operating under the contract as qualified Oklahoma electors.

Modifying Oklahoma Employment Security Commission (OESC) procedures, **HB 2704** changes the date when the contribution rate for employers is applied to current payroll to be each calendar quarter after July 1, 2010, rather than December 31, 2010. The measure also amends definitions as used in the Employment Security Act, by adding “limited liability company” to the definition of *employing unit* and by modifying exceptions for what service is considered employment and what is not included in wages.

HB 2704 authorizes OESC to require an unemployed individual to produce documents, information, or otherwise appear in person to make a claim for benefits; failure to comply may result in disqualification of the claim indefinitely. The measure clarifies language regarding wages, required posting of information, appeals, and overpayment of benefits. The measure also modifies the table for the state experience factor and benefit wage ratios for an employer’s contribution rate for unemployment payments based upon basic federal requirements.

HB 2704 requires information obtained pursuant to the Workforce Investment Act of 1998 be kept confidential. The measure will also now require OESC to charge for staff time associated with release of information pursuant to requests.

Affecting the continuation of funding for unemployment benefits, **HB 2566** is the annual appropriation of federal Reed Act Distribution funds for Oklahoma Employment Security Commission programs. The total appropriation is approximately \$11 million, about \$4.5 million for the Employment Service Program and \$6.5 million for the Unemployment Insurance Program, to be used before December 31, 2011.

A few bills passed this year may affect all businesses, but most legislation will affect specific industries, such as property owners, realtors, contractors, construction industries, financial institutions, and pet breeders.

The following measures affect specific, regulated industries and licensed professions:

- **SB 2038** modifies education requirements for certified shorthand reporters.
- **HB 2320** updates the Alarm and Locksmith Industry Act by providing an exemption from licensure for the sale of user installed alarm systems.
- **HB 2772** creates a process for real estate appraisal management company registration and regulation for those entities engaging in real estate appraisal management services in Oklahoma.
- **HB 2305** exempts persons managing a transient lodging facility from being required to have a real estate license.

- **SB 1871** authorizes the State Board of Licensure for Professional Engineers and Land Surveyors to acquire and maintain, use, and operate real property; exempts the practice of material takeoff from the requirements of being a licensed engineer; and exempts property owners, lumber yards, or building material centers from licensure when determining cost estimates for materials in construction projects.

- **SB 2180** creates the Roofing Contractor Registration Act.

To help protect the public, **HB 3021** expands the duties of landlords under the Oklahoma Residential Landlord and Tenant Act, requiring landlords to notify prospective tenants if a rental unit or any part of the premises was used in the production of methamphetamine. The landlord is not required to notify prospective tenants regarding the manufacture of methamphetamine on the premises if the landlord has assessed the level of contamination and determines that the level of contamination does not exceed 1/10 of one microgram per 100 square centimeters of surface material within the dwelling unit.

To help prevent cost increases for certain independent living facilities, **HB 2530** expands the list of elevators that are exempt from inspections required under the Elevator Safety Act to include elevators that are in an existing two-story building owned by a municipal public trust that is used solely for independent living apartments for those at least 62 years of age.

HB 2695 exempts assisted living facilities licensed for six or fewer residents prior to July 1, 2008, from meeting more stringent fire sprinkler requirements if the sprinklers installed meet the approval of municipal fire marshals or comply with local codes.

Several measures affect the construction industry, streamlining procedures for contractors, protecting property owners, and clarifying requirements for electricians.

HB 2946 provides procedures and requirements for the filing of an action based on a construction-related accessibility claim that a facility does not conform with applicable law, codes, and standards for facilities for the physically disabled.

Modifying requirements for construction projects, **SB 1872** requires plans and specifications for projects submitted to the Construction Industries Board for review be submitted with a review fee for the project.

To protect major property owners, builders, and contractors, **SB 1012** requires property owners to specify in writing the frequency and time period for payments to be made to prime contractors for private construction projects. The measure requires a bid plan to include a timeline for payments. The measure also allows privately negotiated contracts and requires prime contractors to clearly establish the contractor's payment terms for subcontractors. The measure provides for suspension and resumption of work for delinquent payments and subsequent compliance. The new law will not apply to construction of a single residence, duplex, tri-plex, or four-plex family dwelling. *Prime contractor* means any entity that has a direct contract with an owner to perform work under a construction contract.

SB 573 amends the Fair Pay for Construction Act by reducing the amount that may be retained from a construction contract or subcontract payment to 5 percent of the payment due from the current 10 percent.

HB 3313 doubles the cap on the amount of contracts for construction, labor, equipment, or material that may be awarded by public trust from \$25,000 to \$50,000. The measure also allows work to begin if it is performed according to the purchasing policies of the public agency. Currently, work is not allowed to commence until the contractor provides a written contract and proof of insurance.

SB 1900 requires any municipal or county employee issuing building permits to provide building permit applicants a list of state taxes that may be assessed on any state or out-of-state taxpayer who applies for a building permit. Upon request for a permit, the designated municipal or county employee is required to request proof of registration with the Oklahoma Tax Commission under their Oklahoma Business Registration System. If the applicant does not provide proof of registration, employees are required to issue the permit and then advise the tax commission that the entity may not be registered.

The measure also authorizes the tax commission to maintain, as part of its online business registration system, the capability for an applicant to obtain a document electronically to serve as proof of registration under the system. These requirements do not apply to building permits issued for new construction or remodeling projects less than \$50,000.

Because Oklahoma was one of two states that did not regulate high volume breeders, in 2010 the Oklahoma Legislature enacted **SB 1712**, which creates the Commercial Pet Breeders Act, to be administered by the newly created Board of Commercial Pet Breeders, under the authority of the State Board of Veterinary Medical Examiners. The board will establish license procedures, training and qualifications for inspectors, standards of care for animals, and procedures for sale of animals.

The board is required to annually inspect each facility of licensed commercial pet breeders. The board is required to maintain a website listing commercial pet breeders licensed in Oklahoma and commercial pet breeders whose licenses have been denied or revoked. *Commercial breeders* are defined as any entity that has 11 or more female animals for breeding dogs or cats for sale.

The act authorizes municipalities or counties to further regulate the possession, breeding, or sale of dogs or cats. SB 1712 also authorizes the Board of Commercial Pet Breeders, a local animal control authority, or a registered breeder inspector to investigate alleged violations of the act upon receipt of a written complaint.

The measure prohibits commercial breeding in Oklahoma without a commercial pet breeder license for each facility or physical location owned and operated in Oklahoma, whether or not the commercial pet breeder has 11 or more intact female animals at each location. Licensees are required to submit an annual report to the board, including number of breeding animals and other necessary, operational information per facility. Violations of the act are considered a misdemeanor, punishable by fine.

Another industry affected through specific legislation is the preparation, offer, and sale of alcoholic beverages.

SB 1964 clarifies that a catering license may be issued to any person for the sale or distribution of alcoholic beverages at a location not licensed by the Alcoholic Beverage Laws Enforcement (ABLE) Commission, provided the locations are places where food sales constitute at least 35 percent of a caterer's total combined annual sales. The measure requires that a catering license may only be issued to those persons who prepare, sell, and distribute food for consumption either at a licensed or unlicensed premises. A caterer is not required to distribute food at every event as long as the caterer meets the annual required sales.

Licensed caterers are required to submit an annual sales report reflecting sales of alcohol, food, low-point beer, and other revenues. The measure requires caterers to electronically submit monthly event reports for past and future scheduled events to the ABLE Commission.

The measure allows caterers to provide sales of alcohol on the premises of a person applying for a mixed beverage license, provided certain terms are met. The measure also allows a new licensee to claim some other objective than the sale of alcohol as its main objective.

SB 2210 adds to the requirements of package stores under the Oklahoma Alcoholic Beverage Control Act prohibiting spouses of package store license holders from holding any other license under the act, except for a package store license, beer and wine license, or mixed beverage license. The measure allows package store licensees to sell alcoholic beverages on the day of any national, state, county, or city election, unless otherwise prohibited by law. Liquor-by-the-drink counties are not allowed to prohibit the sale of alcoholic beverages on the day of any national, state, county, or city election, unless otherwise prohibited by law. SB 2210 also allows wholesalers to sell or deliver spirits or wines to package store licensees on Veterans Day.

New criminal penalties are created in **SB 1762** for any person owning or operating a hired bus or limousine service who knowingly transports persons under 21 years of age who are in possession of or are consuming alcoholic beverages. An owner or operator is subject to a misdemeanor conviction punishable by a fine of not more than \$500. A second conviction may result in loss of business license for the owner and driver license for the operator.

HB 3383 makes the following changes to Oklahoma Alcoholic Beverage Laws Enforcement (ABLE) Commission regulations:

- Adds a surcharge to 11 alcohol licenses. The surcharge is to be paid concurrently with the licensee's annual licensing fee and is to be deposited in a revolving fund. Monies from the revolving fund will be budgeted and expended by ABLE;
- States that nonresident seller licenses will expire on June 30 following issuance or renewal. Fees for a new or initial nonresident seller license applied for after July 1 may be prorated on a quarterly basis;
- Allows alcohol licensees lawfully operating at an event held in a facility owned or operated by any agency, political subdivision, or public trust of Oklahoma to transport alcoholic beverages from one licensed premises to another within the same building,

provided that the building is defined as a common drinking area for consumption of alcohol; and

- Clarifies that each liquor, out-of-state beer, or wine brand registration is valid for up to one year, expires on the June 30 following registration, and can be renewed. Brand registration fees for labels registered after July 1 may be prorated on a quarterly basis.

Affecting numerous professions under the jurisdiction of the Oklahoma Department of Consumer Credit, **HB 2831** expands the authority of the Commission on Consumer Credit by repealing current fees for licenses, exams, and investigations established in statute and authorizes the Commission on Consumer Credit to establish such fees through administrative rule. The measure repeals exam and license fee amounts as established in the Uniform Credit Code, Credit Services Organization Act, Oklahoma Pawnshop Act, Precious Metal and Gem Dealer Licensing Act, Oklahoma Rental-Purchase Act, Oklahoma Health Spa Act, Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, and the Deferred Deposit Lending Act, although no fee prescribed after July 1, 2011, will be in effect unless approved by the Legislature. It is important to note though that initial fees, established prior to July 1, 2011, will be set by emergency rule by the commission.

HB 2831 repeals fees for those required to file notification with the Department of Consumer Credit and adds new language to treat such entities as licensees, and therefore subject to licensing fees.

HB 2831 renames the Oklahoma Deferred Deposit Lending Regulatory Revolving Fund the Consumer Credit Counseling Fund and requires the fund to consist of fees from deferred deposit lenders for consumer credit counseling services as current law requires. The measure modifies references to the newly named fund and authorizes 10 percent of deferred deposit lender fees be transferred to the department's revolving fund for expenses incurred in administration of the consumer credit counseling program.

The measure also repeals sections creating the Consumer Credit Investigation Fund, the Health Spa Revolving Fund, and the Oklahoma Mortgage Broker and Mortgage Loan Originator Revolving Fund due to the authorized transfers.

Two bills modify regulations regarding the pre-purchase of funeral services:

- **HB 1458** increases the cap on the amount of principal a prepaid funeral services organization may receive from one person to \$20,000. The measure increases the cap each year by a percentage equal to the previous year's increase in the national Consumer Price Index.
- **SB 2042** amends the Perpetual Care Fund Act by modifying the amount of funds that a cemetery must maintain in its Perpetual Care Fund from \$100,000 under current law, to an amount equal to or less than the standard insurance amount per depositor as provided by the Federal Deposit Insurance Corporation (FDIC).

HB 1613 extends confidentiality protections to work papers analyzed by the insurance commissioner or others for assessment of financial condition or market conduct of a company.

Confidentiality is also extended to recorded information, documents, and any copies of such information used in Oklahoma Insurance Department examinations or actuarial opinion summaries. The privilege of confidentiality is not extended to identical or similar documentation that is not under control of the insurance commissioner.

HB 2624 amends the definitions used regarding the repurchase of inventory by manufacturers, distributors, and wholesalers by adding a definition for a *single line dealer* to mean a business that has purchased at least 75 percent of the dealer's total new inventory from a single supplier and has an annual average sales volume for the previous three years that exceeds \$20 million for the dealer's entire territory.

Definitions were updated in the Oklahoma Vehicle License and Registration Act by **HB 2883** to include definitions relating to powersports vehicle and powersports vehicle dealer. *Powersports vehicles* are motorcycles, scooters, mopeds, all-terrain, and utility vehicles. The measure also provides an exception for dealers who are principally agricultural or farm implement dealers but also sell powersports vehicles.

Class AA wreckers are included as vehicles authorized to display flashing red or blue lights by **HB 2969**. The measure also requires a wrecker or towing service that repossesses a vehicle to notify law enforcement within two hours of repossessing the vehicle, providing information regarding the vehicle repossessed, where the repossession occurred, the name of the owner of the vehicle, and the name of the lien holder of the vehicle. A related measure, **SB 1883**, clarifies the authority of the Department of Public Safety and other appointed peace officers to enforce laws concerning licensed wreckers and tow truck operators.

SB 2253 authorizes wholesalers to sell fireworks year round. The measure also requires those making application for a permit to display fireworks to have a general liability insurance policy of at least \$1 million and requires the application for permit be in writing and submitted ten days prior to display date. The measure also modifies the definition of *fireworks* and authorizes novelties to be stored, transported, and sold to the public. Finally, the bill makes certain retail facilities subject to the National Fire Protection Association regulations.

HB 2919 creates the Aircraft Pilot and Passenger Protection Act to allow the Oklahoma Aeronautics Commission to regulate the height of structures near public use airports. The measure requires a person to obtain a permit from the Oklahoma Aeronautics Commission prior to construction, installation, or alteration of any structure near a public use airport. The Aeronautics Commission is allowed to assess up to \$200 per permit application.

HB 2609 clarifies the intent of the regulation of outdoor advertising signs within 660 feet from the edge of the right-of-way on interstate and federal-aid primary highways located within urban areas by adding the phrases "with the intent to be read" and "on the same side of such facilities."

SB 2179 removes the distinction between interstate and freeway primary highways, referring to routes regulated by the Department of Transportation and limits the relocation of billboards to contiguous counties or within the same transportation commission district. The measure also removes the six month limit on negotiation of a settlement for relocation of outdoor advertising during a condemnation proceeding.

SB 1714 requires state agencies for the purpose of awarding contracts to:

- Give preference to goods and services that have been manufactured or produced in this state if the price, fitness, availability, and quality are otherwise equal; and
- Give preference to goods and services from another state over foreign goods or services if goods or services manufactured or produced in this state are not equal in price, fitness, availability, or quality.

State agencies must also add a percent increase to the bid of a nonresident bidder equal to the percent, if any, of the preference given to the bidder in the state in which the bidder resides.

SB 1765 requires that it is the duty of the person contracting with an installer who is modifying or installing on-site sewage treatment systems for a residence or business to certify the number of bedrooms in the residence or the water usage of the business that will be served by the sewage treatment system so that the system can be properly sized.

HB 2295 expands the requirements for the initial application for a farmed cervidae license. A facility may not receive a license until the Oklahoma Department of Agriculture, Food, and Forestry inspects it. This inspection must take place within 90 days prior to issuing a new license. After the initial precicensing inspection, the department must inspect the facility at least once every other year. The department may investigate written complaints at any time and may revoke licenses under certain circumstances. HB 2295 also permits the owner or operator of a farmed or commercial cervidae facility to sell or trade the antlers or horns of a farmed or commercial cervidae as long as the skull is attached.

SB 1956 creates the Agriculture Mediation Board to oversee the Oklahoma Agriculture Mediation Program. The program provides mediation services to all individuals, businesses, and state and federal agencies in production agriculture and agriculturally or environmentally related activities.

HB 2686 allows all harvesters registered with the Eastern Red Cedar Registry Board to have access to trees harvested from state lands. The Department of Central Services must give preference to Oklahoma-harvested wood when accepting bids for wood products and materials.

An omnibus taxation bill, **HB 2359**, includes new procedure for enforcement of tax collection on Internet sales, a decrease in vendor discounts, and an increase in annual coin-operated device permits.

To enforce the collection of sales and use tax, HB 2359 requires out-of-state retailers and vendors making sales of tangible personal property to provide notification on their retail Internet website, in catalogs, and on invoices provided to customers that the use tax must be paid by the purchaser, unless otherwise exempt, on the storage and use of the property in Oklahoma. This requirement also applies to online auction websites. The Oklahoma Tax Commission is required to define the term *online auction website* through rule promulgation.

The measure decreases the vendor discount for maintaining sales tax records and remitting taxes due from 2.25 percent to 1 percent and caps the discount at \$2,500. The current deduction is

limited to a maximum of \$3,300. The measure increases the annual fee for coin-operated device decals as follows:

- \$150 for coin-operated music or amusement devices, an increase from \$50; and
- \$150 for coin-operated vending machines for items costing 25 cents or more, an increase from \$50.

The measure authorizes tobacco dealers to possess both retail and wholesalers licenses.

SB 1321 imposes a misdemeanor offense and additional fine of not more than \$500 for any second or subsequent violation for a vendor who fails to grant the sales tax exemption for disabled veterans. The tax commission is required to refer any vendor who has willfully or intentionally refused to honor the exemption multiple times to the district attorney for prosecution. *Vendor* is defined as any individual responsible for supervising the conduct of any employee who intentionally refuses to honor the exemption.

SB 1396 adds a provision for adjustment of taxable income for corporations and adjusted gross income for individuals, beginning for tax year 2010, to add to the Oklahoma taxable income or adjusted gross income an amount equal to the amount of deferred income not included on the federal income tax return due to the enactment of the federal American Recovery and Reinvestment Act of 2009. The measure also subtracts from state taxable income or adjusted gross income an amount equal to the deferred income that is included on the federal income tax return.

SB 461 amends the Oklahoma Tourism Development Act by amending the definition of *tourism attraction* to include a destination hotel that includes upscale dining, recreation, and entertainment, making the hotel itself a destination for tourists. The Oklahoma Tax Commission is now authorized to require proof of expenditures prior to issuing tax credits under this program to any approved company. The measure extends the sunset date of the act from January 1, 2014, until January 1, 2016.

The purpose of the Oklahoma Tourism Development Act is to provide incentives for new or expanding tourism projects such as entertainment sites, areas of natural beauty, amusement parks, botanical gardens, and cultural or educational centers. Currently the act requires the tourism project to attract at least 15 percent of out-of-state visitors, cost at least \$500,000, and have a significant, positive economic impact.

To clarify and limit the Oklahoma Quality Jobs Program Act for federal contractors, **SB 2128** amends the definition of *qualified federal contract* as used in the act to require that federal contracts and subcontracts will only qualify for incentives if the contract involves services that are capable of being accomplished without Oklahoma workers but must be performed by an Oklahoma workforce.

The measure also amends the definition of *total qualified labor hours* to mean hours performed by Oklahoma workers. The measure adds a definition for *qualified federal contractor* to mean a business maintaining a prime contract with the federal government that adds to the contract by performing at least 8 percent of the total labor.

SB 2128 establishes a threshold for annual gross qualified labor hours to be \$2.5 million within three years of the start date to be eligible for continued incentive payments and requires the Oklahoma Department of Commerce to verify the federal contractor or subcontractor is not receiving incentive payments through other state programs for the same project

SB 2124 expands the definition of *basic industry* as used in the Oklahoma Quality Jobs Program Act to include the following business activities as industries qualifying for program incentives:

- Alternative energy structure construction;
- Solar reflective coating application;
- Solar heating equipment installation;
- Support activities for rail transportation; and
- Support activities for water transportation.

To help balance the FY-2011 budget, **SB 1267** establishes a two-year moratorium on an assortment of specified tax credits that affect businesses in Oklahoma. The moratorium will be in effect from July 1, 2010, through June 30, 2012. For a detailed list of the tax credits, see the Revenue and Taxation section of this document

HB 2519 extends the credit for coal mined in Oklahoma for two years after the two-year moratorium imposed in SB 1267 has expired.

Another component of the FY-2011 budget agreement, **SB 1590** allows income tax credits issued for qualified small business capital companies and qualified rural small business capital companies between January 1, 1998, and June 1, 2010, to be authorized if the qualified capital company has invested in one or more Oklahoma business ventures. The measure prohibits these credits after June 1, 2010.

HB 3024 limits tax credits for investments made in electric motor vehicle property to two years, for credits accrued from July 1, 2010, through June 30, 2012. The credit is limited to 50 percent of the accrued credit. The measure specifies that investments made in hydrogen fuel cell equipment are only eligible for tax year 2010.

HB 3024 also adjusts the moratorium imposed on certain tax credits in SB 1267. The measure postpones claims for tax credits for investment in property or new jobs, the production and sale of electricity generated by Oklahoma-based zero-emission facilities, and qualified rehabilitation expenditures for historic structures for two years.

HB 2432 amends the payment of gross production tax rebates for horizontally drilled and deep wells spudded and drilled to a depth exceeding 15,000 feet by requiring that refund claims for the production periods within the fiscal years ending June 30, 2010, and June 30, 2011, be filed and received by the Oklahoma Tax Commission no later than December 31, 2011.

The measure also reduces the tax rate for horizontally drilled wells to a rate of 1 percent for 48 months from the month of initial production for production commenced on or after July 1, 2011, and prior to July 1, 2015.

SB 1882 extends the current three-tiered gross production tax rates to expire June 30, 2013. The measure also extends the gross production tax exemptions for economically at-risk oil and gas wells for the next three calendar years, 2011 through 2013.

To clarify the assessment of 911 emergency wireless telephone fees for prepaid cellular phone consumers, the Legislature enacted **HB 2556** to exempt prepaid wireless customers from the 50 cent 911 emergency wireless telephone fee, instead creating a 50 cent fee per retail transaction.

For small businesses, **HB 3169** allows a small employer's spouse to be exempt from being covered under a workers' compensation insurance policy. For workers' compensation coverage exemptions, *small employers* are defined as those having five or fewer employees.

SB 1955 increases the maximum loan amount allowed under the Oklahoma Small Business Linked Deposit Act from \$1 million to \$1.2 million for small businesses.

Affecting small employers and all health insurance policies, **SB 2045** requires the insurance commissioner to develop a uniform health questionnaire for small employers applying for group health plans. Small employer health carriers are required to use the questionnaire within six months after adoption by the department.

The measure also requires all individual and group health insurance policies to provide coverage and benefits for children under 18 years of age diagnosed with an autistic disorder with the same coverage and benefits as provided for other children. This new mandate will not be construed to require insurers to cover the diagnosis or treatment of any autistic disorder.

An omnibus insurance reform bill, **SB 2054** modifies a number of provisions in the insurance code and other industries under the regulation of the Oklahoma Insurance Department.

HB 3015 makes healthy corner stores eligible for loan packages up to \$350,000 through the Agricultural Linked Deposit Program. The Agricultural Linked Deposit Program was established in 1987 to assist participating banks in lowering interest rates on loans for qualifying farms and agricultural-related businesses. *Healthy corner stores* are defined as grocery stores certified by the Oklahoma Department of Agriculture, Food, and Forestry that market fresh fruits and vegetables and nutritious foods. The sale of beer and tobacco must comprise less than 10 percent of gross sales, excluding gas and nongrocery items.

SB 1966 amends the Small Employer Quality Jobs Incentive Act by modifying requirements for program applicants after July 1, 2011, to achieve minimum employment of new direct jobs and sales within two years of the application date, rather than the one year deadline.

HB 2509 adds incinerators to those entities required to install scales and pay certain fees based on tonnage of solid waste received.

SB 300 authorizes the Oklahoma Corporation Commission to adopt rules establishing minimum state safety standards for the design, construction, maintenance, and operation of all pipelines used for the transmission and distribution of natural gas in Oklahoma.

HB 2912 makes it unlawful for any person to intentionally or maliciously injure, deface, alter, destroy, or tamper with any safety equipment used in the drilling or production of an oil or gas well.

Under the provisions of **SB 441**, beginning July 1, 2010, a waste tire recycling fee of 5 cents per pound of the weight of the tire will be assessed on tires used on implements of husbandry and agricultural equipment that are not more than 14 inches wide and 44 inches in diameter. A minimum fee of \$2.50 is required per tire.

In addition, beginning July 1, 2013, tires used on the above equipment that are any size must be assessed a waste tire recycling fee of 5 cents per pound of the weight of the tire, with a minimum fee of \$2.50 per tire. The Department of Environmental Quality is required to maintain a list of agricultural tire weights for tires subject to the assessment. The list must be available to tire dealers upon request.

SB 441 also specifies that tire dealers assess no fees when customers elect to retain the used tire for use on a farm or ranch. Tire dealers are authorized to pay the assessed fee for any waste tires in current inventory and include those tires in the waste tire recycling program. A waste tire facility or tire derived fuel facility is required to collect and transport agricultural equipment tires that are not more than 14 inches wide and 44 inches in diameter beginning July 1, 2010. These facilities are required to collect and transport agricultural equipment tires of any size beginning July 1, 2013.

HB 2774 encourages restaurants in Oklahoma to go smoke free by authorizing the Oklahoma State Department of Health to implement a rebate program to reimburse restaurant owners for expenses they incurred in constructing a smoking room prior to November 1, 2010, provided the restaurant converts to a completely smoke free environment no later than January 1, 2013. The rebate would be equal to 50 percent of the original cost of constructing the smoking room minus depreciation costs.

To protect the rights of consumers, **SB 1857** requires any person or entity that sells retail items to disclose the price of the item clearly and conspicuously. The price must be plainly visible on the item or posted at the point of display as a shelf price. The measure sets forth penalties for those not in compliance and allows the Department of Agriculture to promulgate rules to carry out the purposes of the law.

In response to a court ruling in *Southwestern Bell Telephone Company LP SWBT vs. Oklahoma State Board of Equalization* regarding collection of taxes on intangible personal property, the Legislature enacted **SJR 61**. To prevent a tax not previously assessed from being imposed on Oklahoma businesses, SJR 61 imposes a moratorium on the franchise tax and adds a tax in lieu of ad valorem taxes on intangible personal property for all businesses in Oklahoma, except for public service corporations, air carriers, and railroads. The measure creates the Oklahoma Business Activity Tax Code, which will expire on December 31, 2012, unless made permanent by a future Legislature. The purpose of the act is to create a revenue-neutral mechanism to provide a fair and simplified taxation of businesses and individuals in Oklahoma while maintaining revenue levels for the state. The new taxes will be collected as franchise taxes are collected now. The tax on each business in Oklahoma will be an annual tax of \$25 and a tax

equal to 1 percent of the net revenue received from business activity allocated to Oklahoma. For tax years 2010 – 2012, only the \$25 tax in lieu of ad valorem taxes will be assessed.

The measure also requires that taxes due from businesses or others subject to the franchise tax be equal to the amount paid for tax year 2010. This tax will be in lieu of all other taxes imposed by the state, counties, cities, or other political subdivisions on intangible personal property.

Children and Families

During the session, the Legislature addressed issues affecting children and families. **HB 1964** was enacted in response to the growing number of grandparents whose grandchildren are abandoned in their care by the parents. The measure establishes procedures for granting a qualified relative of a minor custody by abandonment and provides that a qualified relative who is granted custody by abandonment has the right to arrange for day care, medical, psychological, dental, educational assessment and services, and any other services necessary to provide for the child.

SB 2235 requires that in a court proceeding regarding child custody or visitation, a motion for an emergency custody hearing include either a police report or a report from the Department of Human Services (DHS) that the child is in surroundings that have or could endanger the child's welfare. If there is no such report, the bill requires that the motion include a notarized affidavit from an individual with personal knowledge of the surroundings of the child and provides for reimbursement of court costs by the person bringing the motion if the information in the affidavit is false. Finally, the measure establishes minimum qualifications for judicial district parenting coordinators.

HB 1520 requires court experts in children's cases before they appear to:

- Disclose any prior relationship with any party involved, including the attorney or judge;
- Submit a resume disclosing all personal and professional qualifications to serve as a court expert;
- Disclose any suspensions from practice, reprimands, or other formal punishments resulting from an adjudication of complaints filed against the person; and
- Disclose any criminal convictions within the past ten years and inclusion on any sexual offender list.

If a party objects to the appearance of a proposed court expert, they must file their objection within 15 days after the receipt of the requirements. Once the objection is filed, the court will set the matter for hearing. The party objecting is entitled to discovery related to the qualifications and appropriateness of the proposed court expert prior to the hearing.

SB 1830 requires DHS to make a referral to law enforcement if it receives a report alleging abuse or neglect of a child who is in an Office of Juvenile Affairs (OJA) secure facility at the time of the alleged abuse in lieu of conducting its own investigation. The bill also directs the advocate general of both DHS and OJA to establish a system for investigating allegations of misconduct by a person responsible for a child in an OJA secure facility.

HB 2333 requires the Oklahoma Lottery Commission to withhold the amount of delinquent debt as directed by the Oklahoma Employment Security Commission from lottery winnings of an individual who owes back child support.

HB 2775 authorizes the State Department of Health to contract with an existing vendor to provide Women, Infants, and Children (WIC) benefits electronically.

HB 2826 prohibits children temporarily residing in a licensed, certified domestic violence shelter in the state from being removed from the shelter by an *ex parte* order. *Ex parte orders* are orders decided by a court without the requirement that all parties involved be present.

To bring the state into compliance with federal requirements, **HB 3292** was enacted. It requires DHS to verify that a child for whom adoption assistance benefits are paid for more than one year is receiving elementary or secondary education by any means legally authorized and provides that adoption assistance payments may be authorized on behalf of a child living in another state but who is subject to the jurisdiction of this state. The measure also provides that a child in the custody of the department, and in an out-of-home placement, is eligible to receive independent living services from 16 years of age until 21 years of age and that a child 16 years of age or older who has been released from custody of the department due an adoption decree or guardianship order also is eligible to receive services until 21 years of age.

HB 3394 increases, from three to four, the number of two-year terms that appointed members of the Oklahoma Commission on Children and Youth who have experience in providing services to children and youth can serve.

HJR 1065 creates the Oklahoma Juvenile Justice Reform Committee to study the state's juvenile justice system and recommend revisions to the Oklahoma Juvenile Code in Title 10A. The measure requires state agencies, officers, and employees to provide information, records, and reports as may be requested by the committee's co-chairs. The committee is required to report its recommendations to update the juvenile statutes, relating to treatment, prevention, and transition, to the speaker of the House of Representatives and the president pro tempore of the Senate by December 1, 2011.

SB 1250 prohibits the unauthorized storage, transfer, use, or databasing of DNA from a newborn child without parental consent.

SB 1679 clarifies the penalty for noncompliance with the requirement that a child care facility maintain liability insurance.

SB 1771 provides that a youthful offender being AWOL from a placement is grounds for bringing that offender to the adult system. The bill also clarifies that nothing in the Therapeutic Recreation Practice Act will be construed to prevent an individual from providing services in a state facility or to children in state custody.

SB 1817 modifies the type of prophylactic ophthalmic agent to be administered to a newborn's eyes and provides that a parent may refuse such treatment.

SB 1819 permits any person who is 16 years of age to donate blood with parental consent.

SB 1938 modifies the venue preference order for bringing an action involving an alleged deprived child to include the county where the child has resided for six months preceding the

filing and provides that, as a last resort, the action may be brought in the county where the child is found.

SB 1645 updates statutory references made to reflect last year's creation of the children's code in Title 10A.

Civil Procedure

Several pieces of legislation affecting civil procedure passed during the 2010 legislative session.

SB 2039 amends and provides cleanup language to several aspects of civil procedure statutes, including:

- Updating language related to subpoenas, including responding to subpoenas to reflect the use of electronically stored information;
- Amending language related to the lengths of depositions and the frequency and extent of discovery;
- Amending language relating to information produced in discovery subject to claims of privilege; and
- Requiring any recorded testimony that is by means other than stenographic to have an on-the-record statement that includes the recording officer's name, the deponent's name, and the name of all those persons present at the deposition. The recording must also include the administration of the oath or affirmation of the deponent.

SB 2235 requires that in a court proceeding regarding child custody or visitation, a motion for an emergency custody hearing include either a police report or a report from the Department of Human Services that the child is in surroundings that have or could endanger the child's welfare. If there is no report, the bill requires that the motion include a notarized affidavit from an individual with personal knowledge of the surroundings of the child and provides for reimbursement of court costs by the person bringing the motion if the information in the affidavit is false. Finally, the measure establishes minimum qualifications for judicial district parenting coordinators.

HB 2572 adds a new law stating that evidence requested for admission as substantive evidence of assemblage in the exercise of free speech or display of religious beliefs that is not connected to the direct conduct of planning, conspiring, or committing an act of violence as prescribed by law is not admissible.

HB 2939 amends the Uniform Durable Power of Attorney Act by adding extended absence as a condition for which acts of attorney-in-fact are effective. *Extended absence* is defined as a principal who has been missing or loses all contact with the designated attorney-in-fact, family members, and friends for a period of more than 45 days.

For purposes of the above language, *contact* includes, but is not limited to, face-to-face contact, a communication that can reasonably be verified as having been produced or made by the principal such as a letter, phone call, text message, e-mail, or other electronic communication.

If the principal is a member of the U.S. Armed Forces, an extended absence as defined in this section will not exist when the principal is deployed for military service or training or is classified as missing in action or a prisoner of war. A durable power of attorney activated

because of an extended absence will be considered in effect until the principal makes contact with the attorney-in-fact, family members, or friends or until the principal is found.

SB 889 creates the Uniform International Wills Act which provides validity to wills probated in other nations.

SB 2040 states that the party requesting a jury does not have to pay the associated fee until the pretrial conference.

SB 2063 amends civil procedure statutes as they relate to the appraisal of property. The measure requires the court clerk to collect from the party seeking an appraisal all fees necessary for the payment to the appraiser for their services. The court clerk must pay the appraiser within 30 days of the date that the appraiser returns the estimate of the real value of the property.

SB 2104 increases the number of days that a notice of a lien must be mailed after the date of filing the lien statement from one day to five days.

SB 2125 adds language stating that the bond in any action or litigation brought under any legal theory involving a nonparticipating manufacturer to the Master Settlement Agreement dated November 23, 1998, will be in an amount not to exceed 100 percent of the judgment, exclusive of interest and costs, 10 percent of the net worth of the judgment debtor, or \$25 million, whichever is less. These bond limitations will not apply to judgments in favor of the State of Oklahoma, its agencies or officers.

SB 2154 modifies language related to actions to enforce a mortgage, deed of trust, or other lien or charge.

Two measures dealt with this session relate to the records of investigations involving vulnerable adults. **HB 2776** provides that after a person responsible for a vulnerable adult's care has been charged in the death or near death of the victim, the Department of Human Services (DHS), the district attorney, and the judge having jurisdiction of the case disclose certain information including:

- Confirmation that a report has been made to DHS concerning the victim or other vulnerable adults living in the same household or facility;
- A summary of previous reports made concerning the victim and the outcome of any investigations; and
- The dates of any judicial proceedings prior to the death or near death of the victim and any rulings of the court.

A related measure, **SB 1601**, provides that the records of Adult Protective Services investigations cannot be expunged except by court order and requires written notice be given to certain parties upon a petition or motion requesting expungement.

SB 2204 creates the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act. The bill:

- Provides procedures to resolve interstate jurisdiction controversies;
- Facilitates transfers of guardianship cases among jurisdictions;
- Provides for recognition and enforcement of a guardianship or protective proceeding order;
- Facilitates communication and cooperation between courts of different jurisdictions;
- Permits communication between courts and parties of other states, records of the communications, and jurisdiction to respond to requests for assistance from courts in other states; and
- Addresses emergency situations and other special cases. A court in the state where the individual is physically present can appoint a guardian in the case of an emergency. Also, if the individual has real or tangible property located in a certain state, the court in that jurisdiction can appoint a conservator for the property located there.

More information about this act may be found at the [home page](#) of the National Conference of Commissioners on Uniform State Laws web site under “Final Acts & Legislation.”

SB 1938 modifies the venue preference order for bringing an action involving an alleged deprived child to include the county where the child has resided for six months preceding the filing and provides that, as a last resort, the action may be brought in the county where the child is found.

HB 1658 gives liability protection to doctors who provide voluntary medical services at a secondary school function. This protection extends to damages that are a result of any acts or omissions and not acts of gross negligence or willful or wanton negligence.

SB 1615 creates the Oil and Gas Owners’ Lien Act of 2010. The measure provides that to secure the obligations of a first purchaser to pay the sales price, each interest owner is granted an oil and gas lien to the extent of the interest owner’s interest in oil and gas rights. These liens are to exist as part of an incident to the ownership of oil and gas rights. In addition, the measure provides that except for a permitted lien, an oil and gas lien is to take priority over any other lien, whether arising by contract, law, equity, or otherwise, or any security interest.

HB 1319 sets certain requirements for a person who claims an interest in a severed mineral interest in real estate after the death of the owner to acquire a valid marketable title through a recorded affidavit of death and heirship. This affidavit is restricted to situations where the owner died without a will or the will was never probated in Oklahoma. This may be claimed at any time after the owner’s death and there is a rebuttable presumption that the facts of the affidavit are true as it relates to the severed mineral interest, death of decedent, the relationships, and family history and heirship.

Due to the increasing popularity of establishing trusts for pets to prepare for their care after the death of their owners, **HB 1641** creates a new section of law that validates trusts for the care of pets. The bill outlines the rules governing trusts for pets, including compensation for the trustee and accounting requirements. HB 1641 also requires a remainder beneficiary for trusts for the care of designated pets.

HB 2800 creates a new law that gives the executor or administrator of an estate the power, where otherwise authorized, to take control of, conduct, continue, or terminate any accounts of a deceased person on any social networking website, any microblogging or short message service website, or any e-mail accounts.

SB 1287 adds personal representatives of the estate of any deceased heir, devisee, or legatee to the list of people who must provide written consent upon the filing of a petition or application in probate.

SB 1895 clarifies state statute to reflect the elimination of the state's estate tax and creates a new law stating that for deaths on or after January 1, 2010, no lien related to the estate tax will attach to any property passing through the estate of a decedent, by joint tenancy, or otherwise. No order exempting estate tax liability will be necessary to authorize the release of such property or for the title of real property to be marketable. This language will not be interpreted as relieving an estate from lien obligations in effect for deaths occurring before January 1, 2010.

SB 2201 permits administrators, executors of estates, and guardians of minors or incompetent people to enter into contracts with companies or partnerships involved in construction, operation, and maintenance of wind energy conservation systems.

SB 2203 terminates the attorney-in-fact of a principal upon the court's appointment of a conservator, guardian of the estate, or other fiduciary charged with management of the principal's property

SB 2270 states that to accept real estate pursuant to a transfer on death deed, a grantee beneficiary will execute a notarized affidavit affirming:

- The death of the owner;
- Whether the record owner and the designated beneficiary were married at the time of the record owner's death; and
- A legal description of the real estate.

If the grantee beneficiary was not the record owner's spouse, the grantee beneficiary must attach a copy of the record owner's death certificate and an estate tax release to the beneficiary affidavit and record these documents with the office of the county clerk where the real estate is located.

HB 2171 creates the Oklahoma Discretionary and Special Needs Trust Act. This bill applies the following to all trusts:

- A distribution interest must not be sold;
- A remainder interest, power of appointment, or a reserved power in trust must not be judicially sold;
- A beneficiary of a trust has an equitable interest in the trust to bring an action against the trustee to enforce the terms of the trust subject to the judicial review standard;
- This act provides for the sole and exclusive remedies available to a creditor or other nonbeneficiary claiming an interest in the trust; and

- A creditor must not attach, exercise, or otherwise reach an interest of a beneficiary or any other person who holds an unconditional or conditional removal or replacement power over a trustee.

Also, a creditor must wait until a distribution is received by a beneficiary before attachment; however, an exception creditor may attach present and future distributions at the trust level. The creditor may also attach present and future distributions for child support.

The bill also spells out provisions for support trusts and discretionary interest.

HB 1520 requires court experts in children's cases before they appear to:

- Disclose any prior relationship with any party involved, including the attorney or judge;
- Submit a resume disclosing all personal and professional qualifications to serve as a court expert;
- Disclose any suspensions from practice, reprimands, or other formal punishments resulting from an adjudication of complaints filed against the person; and
- Disclose any criminal convictions within the past ten years and inclusion on any sexual offender list.

If a party objects to the appearance of a proposed court expert, they must file their objection within 15 days after the receipt of the requirements. Once the objection is filed, the court will set the matter for hearing. The party objecting is entitled to discovery related to the qualifications and appropriateness of the proposed court expert prior to the hearing.

HB 2656 states that in a wrongful life action or a wrongful birth action, no damages may be recovered for any condition that existed at the time of a child's birth if the claim is that the defendant's act or omission contributed to the mother's not having obtained an abortion.

The above language will not preclude causes of action based on claims that, but for a wrongful act or omission, maternal death or injury would not have occurred, or handicap, disease, or disability of an individual prior to birth would have been prevented, cured, or ameliorated in a manner that preserved the health and life of the affected individual. The governor vetoed the bill, but the Legislature overrode the veto.

Common Education

Many of the education bills passed in the 2010 session included reform measures designed to improve Oklahoma schools.

Oklahoma's proposal to compete for federal Race to the Top funding contained many of the reforms in **SB 2033**. The measure authorizes several reforms including a statewide teacher evaluation system, performance pay initiatives based upon the evaluation system, and other pay initiatives for teachers in hard-to-staff areas and low-performing schools. It also provides a process for dismissing teachers who do not achieve certain ratings in the evaluation system and payment instructions through the trial de novo process. *Trial de novo* is when a terminated teacher appeals to district court for reinstatement.

The measure specifies that teacher and leader performance be measured using the Oklahoma Teacher and Leader Effectiveness Evaluation System and success in improving school, grade level, or subject area performance. Districts may develop performance pay plans and base awards upon achieving certain ratings within the evaluation system and grade level, subject area, or school level performance success. Districts may develop additional performance pay plans to provide incentives for teachers and administrators in critical shortage areas, low-performing schools, or hard-to staff districts.

Incentive pay awards will not be part of any employee's continuing contract, and awards will be excluded from the process for calculating retirement benefits. Incentives will not be more than 50 percent of a teacher's salary. The State Board of Education must approve or reject plans within 60 days of submission.

Boards of education must adopt the Teacher and Leader Effectiveness Evaluation System by the 2013-14 school year. The system will have a five-tiered rating system, annual evaluations, remediation plans for teachers rated as ineffective, quantitative and qualitative assessment components, and an evidence-based qualitative assessment tool. For teachers in grades and subjects for which there are no state-mandated testing measures, an assessment using objective measures of teacher effectiveness including student performance on unit or end-of-year tests will be used. The measure defines when a teacher obtains career status, in three to four years, according to the evaluation system and outlines when teachers and administrators may be dismissed according to the rating system. It also requires districts to dismiss a principal who receives an ineffective rating for two consecutive school years.

Districts also will use the evaluation system as the primary means for determining retention or reassignment of teachers and administrators during reductions in force.

The measure also specifies that a teacher will receive compensation for 63 days after the filing of the petition for the trial de novo. If the district seeks an extension to the process without the consent of the teacher, the teacher will continue to receive compensation if the trial continues past 63 days but will not receive compensation if the teacher requests extension without the

consent of the district. If the district, without the consent of the teacher, asks for an extension beyond the 63 days, and the judge rules the teacher should be reinstated, the teacher will receive back pay.

SB 2033 instructs the State Board of Education to adopt the K-12 Common Core State Standards. The board adopted the standards June 24, 2010. Any school identified by the State Board of Education as one of the persistently lowest-achieving schools in the state will adopt one of four intervention models that include staffing changes, converting the school to a charter school, or closing the school.

The measure also creates the 19-member Oklahoma Race to the Top Commission to oversee development and implementation of the evaluation system and monitor federal Race to the Top program funds if the state receives them.

SB 2330 creates the Empowered School Districts Act. The act allows school sites, groups of schools within school districts, or school districts to submit to the State Board of Education empowerment plans that detail innovations designed to improve school performance and request that certain statutes and rules be waived to accomplish the plan. Innovations may include, but not be limited to, changes to staffing, curriculum and assessment, class scheduling, employment, evaluation, and compensation. Districts must submit plans to the State Board of Education for approval. The plan must include descriptions of programs that might be affected, estimates of cost savings, statutes and regulations that must be waived, and evidence that a majority of administrators and a majority of teachers approved the plan. Districts must still participate in the Teachers' Retirement System of Oklahoma, meet Oklahoma School Testing Program Act and accountability requirements, and adhere to the federal No Child Left Behind Act.

The measure also allows an empowered school, group, or district to waive provisions of collective bargaining agreements with approval of at least 60 percent of the members of the collective bargaining unit employed at the school, in the group, or in the district.

Boards of education must review the performance of empowerment schools, groups, and districts every three years and may revoke empowered status. A majority of teachers and a majority of administrators must approve any revisions to empowerment plans.

HB 2753, also part of the Legislature's efforts to reform the state's education system, lifts the cap on the number of charter schools that can be established per year. Now, more than three charter schools can be established per year in districts with more than 5,000 average daily membership in counties with a population of more than 500,000 – Oklahoma and Tulsa counties. It also allows a school district which has a school site on the state's school improvement list to sponsor a charter school no matter where the districts are in the state. It gives technology centers and comprehensive regional institutions the right to sponsor charter schools if they are within a district that has a school site on the state's school improvement list. It specifies that new charter schools must give enrollment preference to students residing within the boundaries of the school district where the charter is to be opened. The measure also allows the Office of Juvenile Affairs to operate a charter school for students in custody of the agency. A similar bill, **SB 1862**, allows federally recognized Indian tribes to sponsor charter schools for native language immersion.

SB 509 allows school districts with more than 30,000 average daily membership the option of releasing teachers from permanent positions at schools identified for school improvement for four consecutive years and subsequently employing them as substitutes for two years. If after two years, the districts have not offered the teachers new permanent positions, the districts may release the teachers entirely. Districts must provide training to teachers to help them improve, and final decisions of districts' boards of education will not be subject to the Teacher Due Process Act. During their time as substitutes, teachers will continue to receive the same salary, benefits, and step increases to which they would have otherwise been entitled.

Legislators attempted to improve principal training and school performance with **SB 1617** which creates the Oklahoma School Principal Training Task Force. The task force will review training requirements for principal certification in Oklahoma and ways to improve and incorporate more leadership training into requirements. The measure also requires schools on the state's needs improvement list for four consecutive years to submit to the State Department of Education a plan for improvement using options outlined in state law. The measure requires the State Department of Education to submit a report of districts' plans annually to members of the Senate and House of Representatives education committees.

HB 2302 revamps the state's Academic Achievement Award program, which rewards teachers at schools with high or improved Academic Performance Index scores, which are based upon factors such as test scores, attendance, and graduation rates.

The measure requires the State Board of Education to use a three-year average of Academic Performance Index scores when determining which schools qualify for the Academic Achievement Award program. Employees at the top schools in each category will receive payments from the award program, based upon available funding.

The top school site that attains the highest overall student achievement and the top school site that attains the highest annual improvement will receive Academic Achievement Awards from the State Board of Education.

Qualified employees at schools earning an average API of 1,500 for the last three years will receive \$2,000. Employees at the top schools with the highest overall student achievement and the top schools with the highest annual average percentage improvement over the last three years will also receive \$2,000. Top sites with highest overall student achievement and highest annual average improvement will be selected from five different groups for awards. Those groups are:

- 0 to 135 average daily membership;
- 136 to 235 average daily membership;
- 236 to 345 average daily membership;
- 346 to 505 average daily membership; and
- 506 or more average daily membership.

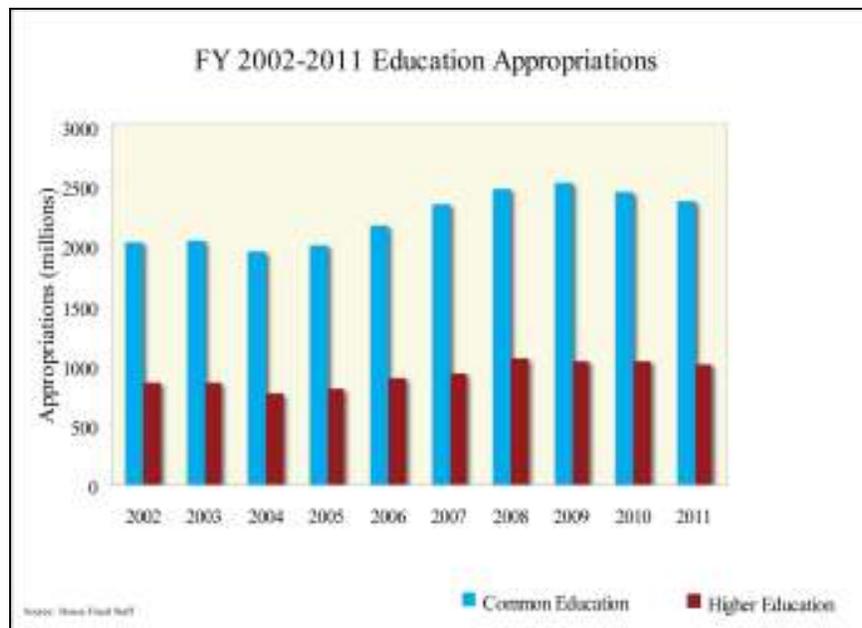
Payment for top schools between 1,499 and 1,395 API will be \$1,000, per employee. Payment for schools between 1,394 and 1,275 will be \$500, per employee. Payment for schools between 1,274 and 1,155 will be \$250, per employee.

Common Education

Any school that qualifies for more than one award will receive the award with the highest monetary amount. Payments will be made first in the top categories and next to the lower categories if funding is available.

The measure also clarifies that school district employees qualified to receive the Academic Achievement Award payment are teachers, principals, supervisors, administrators, counselors, librarians, or certified or registered nurses at school sites. Employees should have worked at the school for at least 85 days of the last school year used to calculate the three-year average to be qualified for payment. Employees who are assigned to more than one school will receive payment on a prorated basis. Under the bill, superintendents are not eligible for payment.

Another focus of the Legislature was the current financial situation of school districts. **HB 3029** eases several mandates on school districts and the state for the fiscal years ending June 30, 2011, and June 30, 2012, because of the financial downturn. The graph below shows education appropriations for the last ten years and that appropriations have decreased somewhat in the last two fiscal years. School districts may spend textbook allocations, professional development funds, and library media program funds for school operations. The State Board of Education also will not assess a financial penalty on any district receiving a penalty in the accreditation process during that period.



It also instructs the State Textbook Committee to suspend the textbook selection process before September 1, 2010, and to extend by at least two years the adoption period of the books already on the state adopted list to delay for two years the six-year adoption cycle.

The bill also suspends for two years the payment of \$5,000 for teachers obtaining certification from the National Board for Professional Teaching Standards and instructs the Oklahoma Commission for Teacher Preparation not to provide any new scholarships for teachers seeking National Board certification during those two fiscal years. Teachers starting the certification

process before June 30, 2010, will still be eligible for the bonus payment when they complete certification.

A companion measure, **HB 2928**, allows teachers to adjust their professional development requirements for the fiscal years ending June 30, 2011, and June 30, 2012. A teacher may complete some or all of the minimum professional development points required for those two years, and any points completed will count toward the total number of points required to maintain employment. If a teacher does not complete some or all of the minimum number of points required for those two years, the total number of points required will be reduced. It also allows school districts to use bond funds for software and hardware maintenance agreements.

Another two measures are designed to reform and protect the Commissioners of the Land Office and bring more money into the education system. **HB 3026** creates the Commissioners of the Land Office Modernization Act. The act establishes a \$1,000 fine for any employee of the office found guilty of a felony for tampering with records of the office and allows imprisonment for up to five years. It gives the office the right to sell or exchange land when it is in the best interest of the trust and institutes modern check-writing and accounting practices designed to protect the office.

It also provides for a four-year term for the Secretary of the Land Office. The secretary may serve consecutive terms and may serve past the term of the appointing governor only until a successor is appointed. To serve, the secretary must:

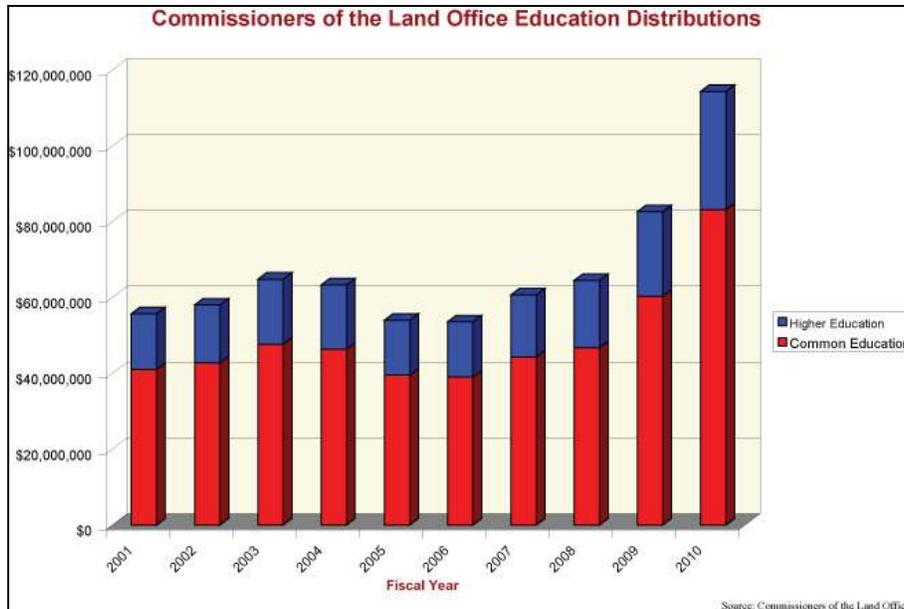
- Possess an advanced degree from an accredited college or university;
- Have not less than five years experience in government, law, or finance; and
- Meet other requirements as specified by the Commissioners of the Land Office.

The bill allows the secretary to appoint all employees except the general counsel, whom the Commissioners of the Land Office will appoint or dismiss.

The commissioners may not invest more than 60 percent of the trust fund investments in equity securities, and the office's revolving fund will be a continuing fund not subject to fiscal year limitations. Funds may be used to pay for equipment and supplies for a modern system of accounting and any attorney fees and litigation or collection costs or expenses.

Any information obtained by an appraiser for the commissioners will not be public record and will not be disclosed unless commissioners determine disclosure is in the best interests of the trust. Reforms in the measure allow the office to increase distributions to education, as shown in the graph on the following page.

SB 2183 directs the secretary of the Commissioners of the Land Office to study the possibility of selling some sections of school land while retaining mineral rights and whether that might provide a better benefit to the commission and the state. The secretary is required to submit a report to the speaker of the House of Representatives, the president pro tempore of the Senate, and the governor by December 1, 2011.



Some bills aimed to create more efficiency in school districts. **HB 1479** allows school districts to study ways to reduce the number of reports required by federal or state law. It allows the State Board of Education to survey teachers and coordinate with the U.S. Department of Education in a study of ways to reduce data, reports, and other information required of districts. **SB 1799** gives districts more flexibility to administer tests outside the designated testing time period to students needing to retake tests required by the state.

Legislators passed three bills designed to improve transparency in school districts. **SB 2034** puts school district audits under the authority of the state auditor and inspector. It also specifies that if the state auditor and inspector authorizes an audit of a school district for not complying with audit requirements in statute, the district will pay for the audit the state auditor and inspector authorizes. It allows the state auditor and inspector to authorize four special audits a year of school districts with any size average daily membership. **SB 1633** creates the School District Transparency Act which requires the State Department of Education to maintain on its website a database of school district expenditures that the public may download and sort. There will be no charge for access. The database will show things such as credit card statements, per pupil expenditures, and budgeted and audited expenditures for each fiscal year. The department will make the data available on its website within 120 days after school districts provide it. If a district maintains a website, the district must put the data on its website.

SB 2211 requires that any school district not in compliance with requirements related to the state's student record system forfeit state aid for the period of noncompliance. The student record system, The WAVE, tracks student test scores, graduation data, and other information for public school students.

Several other bills concentrated on hiring practices, certification, and training. **SB 2199** allows boards of education to request from the State Board of Education a national criminal history record check of any employee of the school. The prospective employees will pay for the search, but school districts may reimburse them.

HB 2299 allows districts to hire teachers on temporary contracts for four semesters, while **HB 2854** increases the length of time a district may employ a substitute without a bachelor’s degree, certificate, or lapsed or expired certificate to 90 days during the school year.

HB 3259 requires people enrolled in an alternative placement teaching program to document at least two years of work experience related to the subject area of specialization if the person has only a baccalaureate degree with no post-baccalaureate work in a related area. The requirement does not apply to people participating in the Troops To Teachers Program.

SB 747 exempts a person seeking licensure or certification as a school psychologist or school psychometrist from taking the general education and professional education portions of the competency examination required for teacher certification unless they seek certification in another subject later.

HB 2296 allows teachers and principals from out of state to seek principal or superintendent certification in Oklahoma if they have two years of experience at an accredited school.

HB 2747 allows elementary education teachers certified by July 1, 2010, to obtain alternative certification in early childhood education and vice versa by July 1, 2012. It also allows teachers certified through accredited teacher preparation programs or alternatively through Troops to Teachers by July 1, 2010, to obtain alternative certification to teach special education.

Legislators also made a few changes to coursework districts are able to offer. **HB 2750** requires that Oklahoma history courses include information about the April 19, 1995, bombing of the Alfred P. Murrah Federal Building in Oklahoma City and the role it played in the history of Oklahoma and the nation from April 19, 1995, to present. The State Department of Education may make materials available to public schools, and the State Textbook Committee must incorporate provisions of this law when considering textbooks for United States and Oklahoma history. **HB 2321** allows districts to teach nonreligious courses of the Bible. Districts may offer to students in grades nine or above an elective course on the Old Testament or New Testament and their impact on law, history, government, literature, art, music, customs, morals, values, and culture. The measure requires that the Bible be the primary text of the courses but allows students to use different translations from the one chosen by the district board of education or teacher. Course teachers must be certified in social studies or literature.

Online courses also were a concern of the Legislature as enrollment in online courses continues to grow in the state, as shown by the tables below. Legislators passed a few measures governing those courses.

Internet Student Counts					
As reported on the 2008-2009 and the 2009-2010 Accreditation Application					
School Year	On Campus	Off Campus	Total	Increase (#)	Increase (%)
2008-2009	--	--	1,102		
2009-2010	773	1,821	2,594	+ 1,492	+135%

Source: Oklahoma Department of Education

School Districts with the Most Internet Students (On + Off Campus)			
As reported on the 2008-2009 and the 2009-2010 Accreditation Application			
2008-2009 School Year		2009-2010 School Year	
District	Number	District	Number
Pittsburgh	230	White Oak	467
OKC Charter: ASTEC Charters	180	Indiahoma	278
Indiahoma	155	Stringtown	217
Graham	116	OKC Charter: ASTEC Charters	214
Drummond	115	Tulsa	166
Muskogee	102	Hanna	163
Moore	84	Graham	143
Freedom	56	Freedom	116
Norman	34	Muskogee	91
Oklahoma City	8	Midwest City-Del City	86

Source: Oklahoma Department of Education

SB 2129 creates the seven-member Statewide Virtual School Task Force to explore the feasibility of a statewide virtual school and recommend the purpose, structure, enrollment process, types of courses, services provided, location of operations, and funding for the school.

SB 2319 requires the State Board of Education to adopt rules for implementation of online courses. The rules should include criteria for student admissions eligibility, a process by which students are not denied the opportunity to enroll, a grace period of 15 days for a student to withdraw from a course without academic penalty, basing completion on mastery rather than Carnegie units, student participation in extracurricular activities, and assessments and requirement of periodic telephone communication between student and teacher and parent and teacher.

SB 2318 allows students enrolled in online courses to take state and district-required tests at alternative locations approved by the State Board of Education. Alternative locations may include technology center school sites or other locations selected by the school offering the online course. The school offering the course will be responsible for costs of providing alternative testing locations. Schools must provide at least six sites with one in each quadrant of the state and in each of the two metropolitan areas of the state.

SB 2109 requires that the State Department of Education use proper category weights when calculating state aid regardless of whether the students are in traditional or online classes. It also requires the department to base school districts' state aid allocations for students enrolled in online courses upon the weighted average daily membership of students enrolled in online courses in the preceding year or the first nine weeks of the school year, whichever is greater. This is instead of the highest weighted average daily membership of the two preceding school years, as is with traditional students.

Three bills made changes to the Oklahoma Teachers' Retirement System. **HB 1935** allows a member of the Oklahoma Teachers' Retirement System who chose the maximum retirement benefit plan at the time of retirement to make a one-time election to change benefit options and to name the member's spouse as the beneficiary if the member marries after making the initial benefit choice. Such an election must be made by July 1, 2011, or within one year of the date of marriage, whichever is first. The measure merges duplicate versions of the same section of law, which were passed in **SB 1662** and **SB 859** this session. The measure allows a member who

retires after the effective date of this act and has selected a retirement allowance for a reduced amount to make a one-time irrevocable election to select a different option within 60 days of the retirement date. The beneficiary designated by the member at the time of retirement will not be changed if the member later makes the change provided for in the measure.

Beneficiaries may assign death benefits to a licensed funeral director or business providing funeral services for a deceased member of the Oklahoma Teachers' Retirement System. The death benefit is \$18,000 for an active member and \$5,000 for a retired member.

The measure removes the right of a member teaching past 70 years of age to make up the 5 percent contributions plus interest for the years taught past age 70. It also removes the right of the beneficiary to take benefits of a member who chose a reduced retirement payment for life but died within 25 years from the commencement of retirement payments.

Two measures apply to technology center districts. **HB 2274** allows school districts and technology center school districts to use building fund monies for repairing and maintaining computer systems and equipment and to pay for telecommunications utilities. It also allows technology center school districts to use building fund monies to pay energy utility costs and to purchase telecommunications services. **SB 2126** clarifies that technology center school districts fall under the definition of *political subdivision* as it relates to the Governmental Tort Claims Act.

Miscellaneous Education Bills

Other common education bills passed this session include the following:

HB 2004 requires teacher candidates as part of their regular coursework to study the symptoms of mental illness

HB 2929 creates the 18-member Oklahoma Advisory Council on Indian Education. The council will make recommendations to the State Board of Education and superintendent of public instruction on education of Native American students and ways to promote equal educational opportunities and improve quality of education provided to those students. The council will make an annual report to the State Board of Education and will sunset July 1, 2014.

HB 3126 requires that the Oklahoma Partnership for School Readiness Board also serve as the state's Early Childhood Advisory Council. The bill also expands the number of board members from 14 to 15 by adding the state director of Head Start Collaboration as a member of the board.

SB 1404 prohibits the Oklahoma School for the Visual and Performing Arts from offering any campus summer arts programs for students in grades nine through twelve between the end of the spring semester and the beginning of the fall semester. It defines *campus summer arts camp programs* as programs in which students are residentially housed for two weeks or less by the school. Provisions of the measure will not be enforced if either the Oklahoma Arts Institute or the Oklahoma School for the Visual and Performing Arts ceases to exist.

SB 1715 allows any child participating in a military funeral honors ceremony to be excused from school if the principal gives approval.

SB 1876 requires that school districts establish goals to accomplish through physical education curriculum and requires that on a weekly basis teachers use at least 50 percent of physical education class for physical activity.

SB 2212 allows a charter school sponsored by a board of education of a school district to be considered a local education agency for purposes of federal funding, meaning that federal funding will go straight to the charter school.

SB 2108 allows boards of education to convey real property no longer needed to educational institutions within the Oklahoma State System of Higher Education.

HB 3393 establishes the Lindsey Nicole Henry Scholarships for Students with Disabilities Program to provide a scholarship to a private school of choice for students with disabilities who have individualized education programs (IEP) in accordance with the Individuals with Disabilities Education Act. The measure specifies criteria that must be met for the student to receive a scholarship and directs the State Department of Education to approve a private school as eligible to participate in the program.

SB 749 adds electronic media, perpetual or continuous district software license agreements, and associated hardware and software necessary for implementation and training to the definition of *equipment* as it relates to the issuance of bonds for school equipment.

HB 2944 adds language stating that court appearances should not adversely affect the education of students enrolled in school districts in this state. Therefore, to the extent possible, court appearances of public school district employees should be scheduled to minimize the disruption of class time. If a school district employee is subpoenaed to appear as a witness in a civil court proceeding, except in a proceeding in which the school district or the state is a party, the school district will be entitled to a witness fee equal to the amount of the substitute teacher cost, not to exceed \$100 per day.

SB 1700 directs local boards of education to develop guidelines related to the risk of concussion and head injury among youth athletes and directs that a youth athlete suspected of sustaining a concussion or head injury during practice or a game be removed from participation and have written clearance from a health care provider to return to participation.

HB 2615 exempts public trusts established for colleges or educational dormitories or student housing facilities from certain financing and refinancing requirements. These projects are required to affect only property subject to ad valorem taxation or financing or refinancing the construction, acquisition or improvement, and rehabilitation of existing housing projects not subject to ad valorem taxation immediately before any financing or refinancing. Additionally, the measure requires that housing projects which were exempt from ad valorem taxation immediately before financing or refinancing will not become subject to ad valorem taxation because they are financed or refinanced by a public trust.

SB 2064 enlarges the zone of safety created around schools, child care centers, playgrounds, and parks, by prohibiting the loitering of a sex offender from 300 feet to 500 feet. It further clarifies that licensed child care facilities are also included in the zone of safety.

Finally, SB 2064 requires a parent who is subject to sex offender registration to inform the administrator of a child care facility or school of that person's registered sex offender status as well as provide current information about the specific times the person will be within the zone of safety.

HB 1658 gives liability protection to doctors who provide voluntary medical services at a secondary school function. This protection extends to damages that are a result of any acts or omissions and not acts of gross negligence or willful or wanton negligence.

County and Municipal Government

The Legislature passed numerous measures this session that will impact county and municipal government. Many aspects of governance were covered, including public trusts, local government cooperation, and transportation assistance. Some of the measures apply to both county and municipal governments, while others are more specific in their aim.

County and Municipal

The Legislature enhanced the Oklahoma Community Economic Development Pooled Finance Act in two measures. **HB 3167** modifies the definition of *infrastructure* by adding railway and utility systems owned by eligible local governmental entities. **HB 3286** authorizes the Oklahoma Development Finance Authority to issue obligations for local government infrastructure or economic development projects based upon the defeasance of previously issued obligations, not to exceed the existing \$100 million cap. The Oklahoma Community Economic Development Pooled Finance incentive creates a bonding incentive targeting job creation and infrastructure development aid to ensure the state's infrastructure is in high quality condition for attracting and retaining jobs.

Two bills passed that deal specifically with public trusts. **SB 1631** modifies the purposes of public trusts for authorized activities of municipalities and counties to exclude any distribution centers for alcohol and beer. Currently only wholesale outlets are excluded. Authorization for municipal and county trusts must not include any residential enterprise except for housing for the aged or disabled persons, students, Department of Human Services units, and other structures.

Affecting the financing of certain public trusts, **HB 2615** exempts public trusts that are county, municipal, or nonprofit hospitals from certain financing and refinancing requirements. These projects are required to affect only property that is subject to ad valorem taxation or financing or refinancing the construction, acquisition or improvement, and rehabilitation of existing housing projects not subject to ad valorem taxation immediately before any financing or refinancing. Additionally, the measure requires that housing projects which were exempt from ad valorem taxation immediately before financing or refinancing will not become subject to ad valorem taxation because they are financed or refinanced by a public trust.

Some additional measures encourage cooperation between local governments. **SB 1998** authorizes a board of county commissioners to construct, improve, repair, or maintain any streets of a municipality having a population of less than 5,000 persons, subject to agreement between the governing bodies of the county and the municipality, without regard to whether the municipality has passed a sales tax with proceeds earmarked for these projects. The same services may be rendered to a municipality having a population of between 5,000 and 15,000 persons if the municipality has passed a sales tax with the proceeds earmarked for these services within the municipality. A board of county commissioners may also maintain the streets of any municipality within a county having a population in excess of 500,000 persons. These agreements may also be entered into without regard to whether the municipality has passed a

County and Municipal Government

sales tax with proceeds earmarked for the services rendered. In addition, **SB 1997** creates the Marvin Williams and Robbie Chase Whitebird County Sheriff Assistance Act. The measure authorizes a corporation organized to represent the elected sheriffs of this state to provide any available support services and assist in coordinating county law enforcement resources when any sheriff of this state requests this assistance.

An omnibus taxation bill, **HB 2359**, includes new procedure for collecting state and local taxes. To enforce the collection of sales and use tax, HB 2359 requires out-of-state retailers and vendors making sales of tangible personal property to provide notification on their retail Internet website, in catalogs, and on invoices provided to customers that use tax must be paid by the purchaser, unless otherwise exempt, on the storage and use of the property in Oklahoma. This requirement also applies to online auction websites.

The tax commission is required under HB 2359 to coordinate with city and county governments to increase state and local sales and use tax collections through joint enforcement efforts. The measure also requires municipalities to enter into an agreement with the Oklahoma Tax Commission for the assessment and collection of taxes levied by the municipality. Prior to this change cities and towns were authorized, but not required to enter into these agreements.

In addition to the above bills, other measures passed broadly impact county and municipal governments.

- **HB 2907** authorizes the issuance of temporary special parking placards to pregnant women. To qualify, the recipient's condition must be determined by a physician, physician assistant, or an advanced registered nurse practitioner as meeting one or more of the categories described as a physical disability under current law.
- **HB 2837** revises how crime stoppers organizations are certified. Currently, crime stoppers organizations are certified by the attorney general. HB 2837 authorizes the Oklahoma Crime Stoppers Association to certify organizations
- **HB 2846** authorizes the agencies of cities, towns, and counties to create a transportation authority or regional economic development authority to plan and operate transportation or regional economic development projects within the boundaries of the political subdivisions. The authority ceases to exist one year after the end of the operation.

County Government

Several measures were enacted relating to the duties and authority of a board of county commissioners. **HB 2306** modifies the powers of a board of county commissioners to include working with federal, state, municipal, and public school district properties in an effort to minimize costs. The measure also authorizes rural road improvement district boards to establish rules and regulations for the construction and maintenance of culverts and drainage projects in the district. **HB 3210** modifies existing law by providing that a burn ban resolution passed by a board of county commissioners be effective for no longer than 30 days from the date of passage. A burn ban resolution had previously been effective for a period of only up to seven days from the date of passage. The sale of fireworks will not be considered an act in violation of a declared

burn ban. And finally, **HB 3006** requires the state auditor and inspector, upon the request of a board of county commissioners, to issue a certification of release of the unencumbered balance of certain funds prior to the completion of an audit, provided that the state auditor and inspector makes a determination that sufficient funds are encumbered to cover the cost of the audit of all county accounts. In addition, the measure modifies the procedures for processing purchase orders by removing a requirement that purchase orders only be allowed and paid at the first meeting of a board of county commissioners five days after presentation of payment. This modification will allow a board of county commissioners to pay a purchase order at its first meeting anytime after presentation for payment.

To assist counties in funding transportation, the Legislature enacted three bills. **SB 2173** deletes references to the County Bridge and Road Improvement (CBRI) Fund as they relate to the allocation of gasoline, diesel, and gross production taxes to the Oklahoma Department of Transportation (ODOT) on behalf of the counties and allocates those monies directly to the counties based on a formula developed by ODOT. In addition, interest earned on the CBRI Fund that formerly went to the Statewide Circuit Engineering District Revolving Fund is eliminated. To provide the Statewide Circuit Engineering District Board with its previous level of funding, SB 2173 allocates percentages of gasoline, diesel, and gross production taxes that are equivalent to the board's former source of funding. The measure also provides that the board of county commissioners in every county must notify ODOT at least 21 days prior to accepting bids on any publicly let road or bridge work projects in the county. The department is required to make this information available to the public online.

Another measure intended to assist counties with transportation funding, **SB 1940**, increases from \$300,000 to \$400,000 the threshold amount governing culvert and bridge construction or reconstruction projects that require engineering plans and specifications to be prepared by the county engineer.

The final transportation-related measure, **HB 2971**, transfers the interest derived from investments by the state treasurer from monies credited to the Emergency and Transportation Revolving Fund to the Statewide Circuit Engineering District Revolving Fund. The Emergency Transportation Revolving Fund provides funding for counties to address emergency projects reimbursable by federal or state funds. The Circuit Engineering District Revolving Fund provides funding to eight Circuit Engineering Districts that enable the counties to come together as a cooperative and achieve efficiencies and economies of scale for transportation-related projects that may not be available to an individual county. The measure also states that interest received on investments of funds in the Emergency and Transportation Revolving Fund need not be remitted to the General Revenue Fund.

Three bills relating to county personnel were passed. First, the responsibilities of county sheriffs were modified by **HB 2277** to require that a deputy sheriff certified by the Council on Law Enforcement Education and Training accompany a reserve deputy sheriff in the performance of all duties assigned to the reserve deputy sheriff unless the reserve deputy has completed the required 160-hour basic police course. Previously the law required the sheriff accompany the reserve deputy. Second, **HB 2573** directs basic salaries to be increased for county officers in every county in Oklahoma. The salary of some county officers will be increased from the applicable basic salary for net valuation or serviceability according to the scale set forth in those

sections of law. The measure also provides that unless a contract exists between a hospital and the county for medical care and treatment of inmates in the county jail, a hospital must accept, as payment in full, reimbursement from the county according to the current fee schedule of the State and Education Employees Group Insurance Board in effect at the time services were rendered, provided that payment is made by the county within 45 calendar days of submission of a claim.

Finally, **HB 3312** permits counties and county officers to use an Internet-based reverse auction bidding procedure to obtain bids for the purchase of goods or services. The procedure must provide a specific bid opening and closure date and the real time, electronic posting and updating of all auction bids.

The bill grants counties the authority to:

- Require potential bidders to prequalify and register prior to the opening date;
- Determine criteria for basis of making awards; and
- Accept late bids due to a significant error or event that affected electronic receipt of a bid if it is in the best interest of the county.

All remedies available to the county and suppliers through a bid process are also available to the county reverse auction bidders. All electronic bids are subject to the same public disclosure laws that govern bids received pursuant to any other Oklahoma law governing procurement procedures for a county.

Two measures relating to circuit engineering districts were enacted. **SB 1684** authorizes the board of directors of a circuit engineering district to establish a County Energy District Authority. **HB 2895** modifies the Governmental Tort Claims Act by declaring circuit engineering districts political subdivisions of the state.

In other measures relating to county government:

- **HB 2992** requires that county bid notices state the manner of payment to be made to a contractor and whether the contractor will be paid in cash, in bonds, or in a proportion of cash and bonds.
- **HB 3242** authorizes county sheriffs to enter into a contract to locate and notify persons of their outstanding failure-to-pay warrants. The measure also provides that any failure-to-pay warrants referred to a contractor include the addition of an administrative cost of 30 percent of the outstanding failure-to-pay warrant.
- **HB 2921** authorizes county purchasing agents to use electronic commerce for solicitation, notification, and other purchasing processes.
- **HB 2655** repeals existing law providing service credit toward a county retirement of up to four years for a vested county employee who serves as an elected city or state official.

- **SB 1900** requires any municipal or county employee authorized to issue building permits to provide applicants for building permits a list of state taxes that may be assessed against any state or out-of-state taxpayer who applies for a building permit. Upon the request for a permit, the designated municipal or county employee is required to request proof of registration with the Oklahoma Tax Commission under their Oklahoma Business Registration System. If the applicant does not provide proof of registration, employees are required to issue the permit and then advise the tax commission that the entity may not be registered. These requirements do not apply to building permits issued for new construction or remodeling projects less than \$50,000.
- **SB 1927** authorizes a city-county health department to own or dispose of real property.
- **HB 2935** requires the county treasurer to include in notices for delinquent taxes and notices for resale of real estate the last record owner as of the preceding December 31 or later according to records from the county assessor. The measure also requires records to be updated based on real property conveyed after October 1 of each year. HB 2935 also requires the county treasurer's office to mail a notice to the last record owner.

Municipal Government

The Legislature addressed several issues of financial importance to municipalities this session. **HB 3054** creates the Municipal Fiscal Impact Act. The measure provides that no bill, resolution, or amendment determined to have a direct adverse fiscal impact in excess of \$100,000 on municipalities statewide may be reported out of the committee to which it is assigned, or in the case of a floor amendment, may be acted upon by the relevant legislative body, unless a fiscal impact statement of the bill is made. Any measure having a direct adverse fiscal impact in excess of \$100,000 on municipalities statewide for which an emergency clause has not received required approval cannot go into effect until July 1 of the following calendar year. Under the measure, a *direct adverse fiscal impact* is defined as the cost in dollars to a municipality in this state of a statute which imposes a mandate for the new or additional application of municipal resources or reduces existing municipal resources without providing revenue which would fully fund the mandate. Municipal resources may include, but are not limited to, law enforcement, fire protection, health and medical services, power and waste services, streets, bridges, or highways and recreational services.

The Improvement District Act allows municipalities with more than 1,500 residents to create Business Improvement Districts (BIDs) and levy assessments to pay for various services which enhance or extend the value and usefulness of any improvements in a BID. Amending the Improvement District Act, **HB 3236** allows municipalities to fund the acquisition, construction, installation, or maintenance of capital improvements with an estimated, useful life of at least five years provided the total cost of the improvement is funded in one year's assessment. These capital improvements may include parking lots, benches, signs, trash cans, public restrooms, lighting, décor, parks, and sidewalks. The measure requires a petition for annexation into a BID of 60 percent of record owners from the area to be annexed.

HB 3291 adds public safety services, community buildings, courthouses, town halls, senior nutrition centers, meeting rooms, or similar public features to the list of projects that can qualify

for funds through the Rural Economic Action Plan and the Rural Economic Action Plan Water Projects Fund. It also reprioritizes projects that qualify for funds and specifies that at least 80 percent will go to projects prioritized one through six in the measure, while any remaining funds can go to other projects listed. Qualified entities may apply for a grant to benefit an unincorporated area within a county served by that entity if the area benefited does not contain a population in excess of 7,000 people.

To distinguish Oklahoma communities that may be attractive destinations for retirees, **SB 1640** creates the Certified Retirement Communities Program Act. The measure establishes application requirements to become a certified retirement community that include demographic information, such as crime statistics, recreational options, and housing availability; local civic and business support for the future of the community; and funding of at least \$20,000 to implement the Certified Retirement Communities Program. The certification process will be administered by the Oklahoma Department of Commerce and implemented through a pilot project, with Stillwater serving as the pilot community. Recertification is required every five years.

HB 3015 makes healthy corner stores eligible for loan packages up to \$350,000 through Agricultural Linked Deposit Program. The Agricultural Linked Deposit Program was established in 1987 to assist participating banks in lowering interest rates on loans for qualifying farms and agricultural-related businesses. *Healthy corner stores* are defined as grocery stores certified by the Oklahoma Department of Agriculture, Food, and Forestry that market fresh fruits and vegetables and nutritious foods. The sale of beer and tobacco must comprise less than 10 percent of gross sales, excluding gas and nongrocery items.

HB 2653 creates the Task Force on Municipal Finance to examine the laws governing municipal finance. The task force will review existing sources of revenues available to municipal governments, requirements for establishing and maintaining sinking funds, laws governing the creation and maintenance of separate accounts within municipal general funds, laws governing investment or other use of municipal revenues, laws governing the establishment of municipal reserve funds similar to the Constitutional Reserve Fund, and other matters related to municipal finance.

Two measures were enacted modifying the notification process for unclaimed property. **SB 1812** authorizes police departments to notify by first-class mail owners of unclaimed property pending disposal, worth in excess of \$100. In addition, **HB 2989** allows municipal governments to send notifications regarding unclaimed property to property owners by first-class mail instead of by certified mail.

A third municipal property-related bill is **SB 1864** which relates to municipal annexation procedures and provides that the prevailing property owner in an annexation dispute be entitled to court costs and reasonable attorney fees, including, but not limited to, when a municipality withdraws, revokes, or otherwise reverses the ordinance at issue in response to litigation before issuance of a final judgment. The bill also adds language stating that those annexed parcels of land 40 acres or more used for agricultural purposes prior to annexation and that have continued in uninterrupted agricultural use will be exempt from ordinances restricting land use and building construction to the extent the land use or construction is related to agricultural purposes.

Two other bills deal specifically with municipal law enforcement. First, **HB 2602** makes uniform the number of hours a part-time police officer may work by removing distinctions based on municipal populations. Second, in an attempt to reduce repeat DUI offenders, **HB 3240** requires persons convicted of a municipal ordinance relating to driving under the influence of alcohol or other intoxicating substance to participate in an alcohol and drug substance abuse evaluation and assessment program. Currently, the first municipal conviction is not reported to the state, and the offender is not required to participate in alcohol assessment and treatment. Offenders will be required to follow recommendations of the evaluation and assessment and will not have their driving privileges reinstated by the Department of Public Safety until completion of recommendations.

Finally, the Legislature also passed some general municipal governance measures:

- **HB 1554** prohibits municipal solid waste landfills from accepting for disposal any municipal sewage sludge unless it has been properly treated to meet Class B requirements for pathogen reduction pursuant to federal regulations and the sludge does not contain any free liquids pursuant to the federal Paint Filter Liquids Test.
- **HB 2541** directs municipal courts to keep the following personal identifying information confidential: driver license and identification card numbers, credit card numbers, social security numbers, and bank account numbers.
- **SB 1695** amends permit requirements for certain wastewater treatment systems. Under current law, no person or entity may construct or contract for any construction work for a municipal treatment works, nonindustrial wastewater treatment system, sanitary sewer system, or other sewage treatment works without first obtaining a permit. The measure provides that permits may only be issued to a public entity if all components of the proposed system, including the service lines, are or will be located on property that is owned by the owner of the system or dedicated to the owner of the system in a recorded easement for the installation and operation of the system. In addition, the measure provides an exemption from certain permitting requirements for individual and small public sewage treatment systems that are constructed or modified in accordance with existing requirements.
- **HB 2999** adds municipal employees to the list of persons required to report that a vulnerable adult may be the victim of abuse, neglect, or exploitation.

Courts

Several new laws affecting the court system passed during the 2010 legislative session.

Due to budget constraints, the Oklahoma Workers' Compensation Court (OWCC) planned to close the Tulsa branch of the court, but to ensure injured workers access to hearings, **HB 2652** prohibits the closing of the Tulsa Workers' Compensation Court without the approval of the Legislature. The measure also reduces the membership of the OWCC to eight judges, requiring five to be permanently assigned to Oklahoma City and three in Tulsa. The measure expands judges' terms to eight years, requires Senate approval of the governor's judicial appointments, and requires the judges to have five years prior workers' compensation experience. Current OWCC judges may be eligible for an immediate, initial eight-year term upon expiration of their current term, but future OWCC judges are only eligible to reapply to serve on the court for additional terms after at least three years have passed.

SB 2038 modifies the requirements for certified shorthand reporters to include a minimum level of court reporting proficiency. The measure also removes the qualification to be an Oklahoma resident to enroll as a court reporter without examination, provided the person has an equivalent license or certificate.

HB 3340 allows any report containing data collected and required to be transmitted by a registrant to the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control Central Repository pursuant to the provisions of the Anti-Drug Diversion Act to be considered relevant and admissible in evidence. The Anti-Drug Diversion Act is set forth under the Uniform Controlled Dangerous Substances Act. The person making the report will not be required to make additional court testimony since the report is admissible in evidence.

HB 1520 requires court experts in children's cases before they appear to:

- Disclose any prior relationship with any party involved, including the attorney or judge;
- Submit a resume disclosing all personal and professional qualifications to serve as a court expert;
- Disclose any suspensions from practice, reprimands, or other formal punishments resulting from an adjudication of complaints filed against the person; and
- Disclose any criminal convictions within the past ten years and inclusion on any sexual offender list.

If a party objects to the appearance of a proposed court expert, they must file their objection within 15 days after the receipt of the requirements. Once the objection is filed, the court will set the matter for hearing. The party objecting is entitled to discovery related to the qualifications and appropriateness of the proposed court expert prior to the hearing.

HB 2541 directs municipal courts to keep the following personal identifying information confidential:

- Driver license and identification card numbers;
- Credit card numbers;
- Social security numbers; and
- Bank account numbers.

The exception to this confidentiality is when such information is provided to the Oklahoma Tax Commission for purposes of collection of municipal court fees.

HB 2826 prohibits children temporarily residing in a licensed, certified domestic violence shelter in the state from being removed by an *ex parte* order. *Ex parte orders* are orders decided by a court without the requirement that all parties involved be present.

HB 2827 allows victims of domestic violence, stalking, or harassment to petition for an emergency temporary order of protection when the court is not open for business.

The bill also requires that to the extent that the specified information is available to the court concerning a person arrested for a violation of an *ex parte* or final protective order, the court must consider the following before determining bond and other conditions of release as necessary for the protection of the victim, including whether the person:

- Has a history of domestic violence and the severity of the alleged violence;
- Has a history of mental health issues;
- Has a history of violating the orders of the court;
- Is a potential threat;
- Has a history of alcohol abuse;
- Has access to deadly weapons or a history of using them;
- Has recently been separated from the victim;
- Has exhibited obsessive or controlling behaviors; and
- Has expressed suicidal ideations.

Finally, HB 2827 states that protective orders may include an animal owned by either of the parties or by any child living in the household.

HB 2944 states that court appearances should not adversely affect the education of students enrolled in school districts in this state. Therefore, to the extent possible, court appearances of public school district employees should be scheduled to minimize the disruption of class time. If a school district employee is subpoenaed to appear as a witness in a civil court proceeding, except in a proceeding in which the school district or the state is a party, the school district will be entitled to a witness fee equal to the amount of the substitute teacher cost, not to exceed \$100 per day.

HB 2946 provides for the procedure and requirements for filing an action based on a construction-related accessibility claim that a facility does not conform with applicable law, codes, and standards for facilities for the physically disabled.

HB 3158 allows a drug court judge to extend the period of supervision for drug court participants for up to six months. If the court orders the period of supervision extended, the drug court judge, district attorney, the attorney for the offender, and the supervising staff for the drug court program will evaluate the appropriateness of continued supervision on a quarterly basis. No dollars may be expended by the state on an offender during this extended supervisory period.

HB 3267 increases filing fees for civil cases by \$3. The measure removes language recently ruled unconstitutional by the Oklahoma Supreme Court that required the courts to collect:

- \$20 for the Voluntary Registry and Confidential Intermediary Program and the Mutual Consent Voluntary Registry for each adoption case filed;
- \$10 for the Child Abuse Multidisciplinary Account; and
- \$3 for the Office of the Attorney General Victim Services Unit for each civil case filed.

The case was *Fent v. State ex rel. Dept. of Human Services*.

SB 1793 adds new language stating that a party who requests a jury trial and fails to appear for the trial, after proper notice and without good cause, may be deemed by the court to have waived the right to a jury trial as to the issue of termination of parental rights.

SB 2170 creates the Task Force on Standardization of Courtroom Security Procedures.

SB 1756 authorizes the Oklahoma Supreme Court to continue to have exclusive control of the Supreme Court courtroom and robing room, in the west wing of the second floor of the State Capitol Building, and modifies reference to the spaces the Court of Criminal Appeals has access to as the presiding judge of the court deems necessary, removing the authority of the chief justice of the Supreme Court to determine Court of Criminal Appeals necessity.

HJR 1056 proposes a constitutional amendment that, if passed by voters, would prohibit consideration of the legal precepts of other nations or cultures, specifically international law or Sharia Law, when deciding cases. *Sharia Law* means Muslim or Islamic law, both civil and criminal justice, as well as regulating both personal and moral individual conduct.

HJR 1056 requires the state's courts to adhere to the U.S. Constitution, the Oklahoma Constitution, U.S. Code and federal regulations, established common law, and Oklahoma Statutes and administrative rules in making judicial decisions. The measure also allows state courts to uphold and adhere to other states' laws in making judicial decisions, provided such laws do not include Sharia Law.

SB 2022 authorizes the court to allow victims of domestic violence, stalking, harassment, sexual assault, or forcible sodomy to monitor the location of the defendant who has been ordered to use a Global Positioning System (GPS) monitoring device. Monitoring by the victim is limited to computer or cellular inquires or computer or cellular generated signals to determine if the offender is within a specified distance of certain locations. Courts are required to conduct an annual review of victim monitoring to determine if the monitoring is still necessary.

HB 3314 specifies that any petition of the court relating to conservation district operations be decided upon whether the proposed action of the district lies within the scope of its authority pursuant to the measure and the agreements and decrees establishing the district and governing its operations. The measure also increases the cap on the minimum contract amount open to public bidding from \$25,000 to \$50,000.

Crimes and Punishments

Several measures were enacted this session aimed at reducing the devastating impact of drugs on society. Legislation focused on treatment for first-time DUI offenders, strengthened forfeiture procedures in DUI cases, and established a registry for persons convicted of methamphetamine related crimes.

In an attempt to reduce repeat DUI offenders, **HB 3240** creates the Aaron Gillming Act which requires persons convicted of a municipal ordinance relating to driving under the influence of alcohol or other intoxicating substance to participate in an alcohol and drug substance abuse evaluation and assessment program. Currently, the first municipal conviction is not reported to the state, and the offender is not required to participate in alcohol assessment and treatment. Offenders will be required to follow recommendations of the evaluation and assessment and will not have their driving privileges reinstated by the Department of Public Safety until completion of recommendations.

The Methamphetamine Offender Registry Act is created by **HB 3380**. The bill allows the Oklahoma Bureau of Narcotics and Dangerous Drugs Control to create a registry of persons convicted of possession of methamphetamine or any of the precursors with intent to manufacture methamphetamine. Any person subject to registration is prohibited from purchasing, possessing, or having control of any Schedule V compound containing any detectable quantity of pseudoephedrine. Schedule V includes substances that have a low potential for abuse, have accepted medical use in treatment, and have a limited physical or psychological dependence. Violation is a felony subject to not less than two nor more than ten years imprisonment and a fine of not more than \$5,000. The registry will be available to registrants who sell pseudoephedrine-related products, the courts, and law enforcement agencies. Persons will remain on the registry for ten years.

HB 2730 allows law enforcement agencies who seize a vehicle that is eligible to be forfeited and in which a controlled dangerous substance has been manufactured to request that the Tax Commission brand the certificate of title with the notation “Drug Manufacture Vehicle.”

Adding new drugs to the list of controlled substances was the subject of **HB 3241** which designates the following drugs as Schedule I drugs:

- A compound sold as ecstasy and referred to on the street as Molly; and
- Compounds known on the street as K2-Spice or K2 smoke blend.

Schedule I includes substances that have a high potential for abuse, have no accepted medical use in the United States, or lack accepted safety for use in treatment under medical supervision.

New criminal penalties are created in **SB 1762** for any person owning or operating a hired bus or limousine service who knowingly transports persons under 21 years of age who are in possession of or are consuming alcoholic beverages. An owner or operator is subject to a misdemeanor

conviction punishable by a fine of not more than \$500. A second conviction may result in loss of business license for the owner and driver license for the operator.

SB 2022 authorizes the court to allow victims of domestic violence, stalking, harassment, sexual assault, or forcible sodomy to monitor the location of the defendant who has been ordered to use a Global Positioning System (GPS) monitoring device. Monitoring by the victim is limited to computer or cellular inquires or computer or cellular generated signals to determine if the offender is within a specified distance of certain locations. Courts are required to conduct an annual review of victim monitoring to determine if the monitoring is still necessary.

SB 2258 creates the Greater Protecting Victims of Human Trafficking Act of 2010. The measure makes it unlawful to intentionally destroy, hide, alter, abscond with, or keep another person's documentation, such as birth certificate, visa, passport, green card, or other documents for the purpose of human trafficking. The measure expands the definition of *blackmail* to include threatening to report a person as being illegally present in the United States. The measure authorizes the attorney general, upon availability of funds, to establish an emergency hotline for victims of human trafficking to call to request assistance or rescue.

SB 956 permits any commissioned peace officer of the state to seize any vehicle or conveyance, as well as any and all property used:

- To facilitate or participate in the commission of any human trafficking offense; or
- In any manner by a prostitute, pimp, or panderer to facilitate or participate in the commission of any prostitution offense. Vehicle, conveyance, or property does not include that of a customer or someone procuring services.

SB 956 adds several definitions to the statute governing human trafficking: *coercion*, *commercial sex*, *debt bondage*, *legal process*, and *minor*. It also amends by adding more specificity to the definitions of *human trafficking for labor* and *human trafficking for commercial sex*.

This bill also increases from 14 years of age to 18 the age under which the victim must be for those guilty of human trafficking to receive stronger penalties.

Finally, the bill specifies that the statute of limitations for the cause of action cannot commence until the latter of the following two situations occurs:

- The emancipation of the victim from the defendant; or
- The twenty-first birthday of the victim.

Legislators also examined how the state could deal with individuals who violate wildlife-related provisions of the Oklahoma Statutes. **HB 1889** Oklahoma to the Interstate Wildlife Violator Compact, which allows participating states to suspend wildlife license privileges of any person whose license privileges have been suspended by a participating state.

Also dealing with criminal behavior, **HB 2861** allows those who have had their hunting and fishing licenses revoked to apply for a new license after paying fines and a restitution fee. The

amount of the fee depends on which statute has been violated, with higher fees applying to offenses involving the unlawful possession, taking, or killing of wildlife.

Law enforcement is required by **HB 2991** to tow any vehicle used in the commission of a felony offense. The agency must first obtain a search warrant authorizing search and seizure of the vehicle.

To deter election and voter registration fraud, **SB 1921** increases the maximum punishments for felony and misdemeanor violations of the election code, increasing felony punishments from a maximum fine of \$5,000 to \$50,000 and prison sentences from two years to five years. Additionally, the measure adds the following actions as felony acts under the election code:

- Knowingly voting with an absentee ballot issued to another person;
- Unauthorized people knowingly removing from or bringing a ballot to a polling location;
- Knowingly making false application for an absentee ballot;
- Knowingly causing the cancellation of a qualified voter's registration;
- Knowingly causing the collection or submission of voter registration forms containing false information; and
- Knowingly conspiring to commit election fraud.

The measure also increases misdemeanor punishments from a maximum fine of \$1,000 to \$10,000.

Criminal Procedure

Measures passed in the area of criminal procedure covered topics from domestic abuse to victims' rights. **HB 2827** allows victims of domestic violence, stalking, or harassment to petition for an emergency temporary order of protection when the court is not open for business.

The bill also requires that to the extent that the specified information is available to the court concerning a person arrested for a violation of an ex parte or final protective order, the court must consider the following before determining bond and other conditions of release as necessary for the protection of the victim, including whether the person:

- Has a history of domestic violence and the severity of the alleged violence;
- Has a history of mental health issues;
- Has a history of violating the orders of the court;
- Is a potential threat;
- Has a history of alcohol abuse;
- Has access to deadly weapons or a history of using them;
- Has recently been separated from the victim;
- Has exhibited obsessive or controlling behaviors; and
- Has expressed suicidal ideations.

Finally, HB 2827 states that protective orders may include an animal owned by either of the parties or any child living in the household.

SB 2150 adds assault and battery upon a former spouse of a present spouse to crimes that fall under the definition of *domestic abuse*.

HB 2168 amends current law to provide that convictions for domestic abuse related crimes can only be used as prior convictions for ten years. This bill also increases the length of time the court can defer a sentence from five years to ten years.

HB 2934 requires sex offenders to register any e-mail addresses or online identities with the court. The Department of Corrections (DOC) must collect e-mail address information, including online identity names that a registered sex offender uses while accessing the Internet. This information must also be on the form used for registration by the local law enforcement authority. DOC is permitted to release upon request of any Internet entity any information that would enable the entity to prescreen or remove sex offenders from its services or advise law enforcement of potential violations of the law or threat to public safety. DOC must update monthly any information released to ensure that the information of every individual removed from the sex offender registry is no longer released. DOC may charge the Internet entity a fee for access to the sex offender information. The Internet entity may not publish, disclose, or redisclose any information provided to it by DOC except for the purposes of these provisions. *Internet entity* is defined as one providing service which permits persons under 18 years of age to

access, meet, congregate, or communicate with other users for the purpose of social networking. It does not include general e-mail services.

SB 2231 prohibits people who must register with the Sex Offender Registration Act from using a post office box for a home address. Those already registered who have provided post office boxes as an address must be contacted by local law enforcement and required to provide a physical address.

Several criminal procedure modifications were made in **HB 2313**. The measure allows a district attorney to file juvenile proceedings within six months after the date of the eighteenth birthday of a juvenile if the underlying act would constitute a misdemeanor if committed by an adult. The bill removes the requirement of every district attorney to file in writing in the office of the county treasurer of each of district attorney's districts an annual account of all monies received by the district attorney's office. The bill makes it a crime for any person who is ordered to wear an electronic monitoring device to remove the device without authorization. The *Romeo and Juliet* provision of lewd molestation is modified by removing the protections afforded by the provision if the use of force or fear is present. Additionally, the definition of *sexual battery* is clarified to include cases where the victim is at least 16 years of age and younger than 20 years of age and under the care of a school and the perpetrator is 18 years of age or older and is an employee of the same school system as the victim. The definition of *lewd molestation* is also amended to include the molestation of a corpse. Finally, the measure prohibits young persons convicted of child pornography offenses from participating in the Delayed Sentencing Program for Young Adults and prohibits offenders previously admitted to the Delayed Sentencing Program for Young Adults from being eligible to participate for subsequent offenses.

SB 1928 provides clarifying language for the felony offense of a juvenile or youthful offender convicted of escape from a juvenile detention center. This crime is punishable by imprisonment for not less than one year nor more than seven years.

HB 2865 requires prosecutions for crimes in which a deadly weapon is used to commit, or attempt to commit, a felony to commence within seven years after the commission of the crime.

HB 2983 adds crimes related to financial transactions and wire transfers to the Oklahoma Antiterrorism Act and changes the name of the Oklahoma Corrupt Organizations Prevention Act to the Oklahoma Racketeer-Influenced and Corrupt Organizations Act.

HB 3340 allows any report containing data collected and required to be transmitted by a registrant to the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control Central Repository pursuant to the provisions of the Anti-Drug Diversion Act to be considered relevant and admissible in evidence. The Anti-Drug Diversion Act is set forth under the Uniform Controlled Dangerous Substances Act. The person making the report will not be required to make additional court testimony since the report is admissible in evidence.

HB 2964 consolidates and reflects victims rights laws found in other parts of the Oklahoma Statutes into the Victims' Rights Act.

Economic Development

Many measures amend current economic development incentives by authorizing additional projects while ensuring any tax credits or other publicly funded incentives are at least revenue neutral to the state.

To assist with the promotion of quality events that have an economic impact, the Legislature enacted **SB 1284** which creates the Oklahoma Quality Events Incentive Act. The act allows an eligible municipality or county to utilize a portion of the state sales tax revenues from transactions occurring within a designated area for promotion of the event.

The Oklahoma Quality Events Incentive Act allows a host community, at least one year prior to an event, to designate a geographic area for the event, duration to capture sales tax revenue, and type of expenses eligible for promotion, including advertising, facility rental, promotional materials, and security. A host community must adopt an ordinance or resolution outlining event designation, and within 90 days of adoption the host community must submit the ordinance or resolution to the Oklahoma Tax Commission with an economic impact study. The tax commission then has 90 days to approve or disapprove the study. The Oklahoma Department of Commerce and the Oklahoma Tourism and Recreation Department must provide assistance the tax commission may request.

The measure requires the host community to disclose to the tax commission the total amount of eligible local support for determining the amount of incremental state sales tax revenue that may be paid to the host community where a quality event occurs. The tax commission must verify the amount of eligible local supports, such as payments made by a local government entity to sponsors and payments made by sponsors to for-profit or nonprofit entities, prior to disbursement to the host community.

The measure states that total payments to all host communities must not exceed \$2 million for FY-2013, \$2.5 million for FY-2014, and \$3 million for FY-2015. The measure requires that when the Quality Events Incentive Act terminates on June 30, 2015, any county or municipality under prior contract will receive payments under contract. Due to a delayed effective date, communities will not be able to take advantage of any incentives until July 1, 2012.

The Oklahoma Department of Commerce is required to make a report not later than December 1, 2013, and each year thereafter to the governor, speaker of the House of Representatives, and the president pro tempore of the Senate regarding the impact of the Oklahoma Quality Events Incentive Act.

The Oklahoma Local Development and Enterprise Zone Incentive Leverage Act is amended in **HB 1786** by adding the following definitions to the act:

- *Military growth impact community* means a city, town, or county experiencing or reasonably projected to experience a population growth of at least 1,000 people and

increased payrolls of at least \$10 million within a five-year period as a direct result of federal military base activities;

- *Military growth impact project* means a project pursuant to the Local Development Act which the governing body determines to be in support of the needs and quality of life issues resulting from the military growth impacts;
- *Military growth impacts* means increases in investment, employment, and residents resulting from military growth activities; and
- *Estimated direct state benefits* and *estimated direct state costs* definitions are modified so that for the purposes of projecting state benefits or costs for a military growth impact project, the military growth impacts must be used in lieu of the project or projects described in the related project plan.

The Legislature enhanced the Oklahoma Community Economic Development Pooled Finance Act in two measures. **HB 3167** modifies the definition of *infrastructure* by adding railway and utility systems owned by eligible local governmental entities. **HB 3286** authorizes the Oklahoma Development Finance Authority to issue obligations for local government infrastructure or economic development projects based upon the defeasance of previously issued obligations, not to exceed the existing \$100 million cap. The Oklahoma Community Economic Development Pooled Finance incentive creates a bonding incentive targeting job creation and infrastructure development aid to ensure the state's infrastructure is in high quality condition for attracting and retaining jobs.

The Improvement District Act allows municipalities with more than 1,500 residents to create Business Improvement Districts (BIDs) and levy assessments to pay for various services which enhance or extend the value and usefulness of any improvements in a BID. Amending the Improvement District Act, **HB 3236** allows municipalities to fund the acquisition, construction, installation, or maintenance of capital improvements with an estimated, useful life of at least five years, provided the total cost of such improvement is funded in one year's assessment. These capital improvements may include parking lots, benches, signs, trash cans, public restrooms, lighting, décor, parks, and sidewalks. The measure requires a petition for annexation into a BID of 60 percent of record owners from the area to be annexed.

SB 461 amends the Oklahoma Tourism Development Act by amending the definition of *tourism attraction* to include a destination hotel that includes upscale dining, recreation, and entertainment, making the hotel itself a destination for tourists. The measure also requires that the economic impact reports include an analysis of the extent to which tourism attraction projects will be revenue neutral to the state, meaning the amount by which increased tax revenues from tourism attraction projects or film or music production facilities will exceed allowable sales tax or income tax credits. SB 461 also requires extensions of tax credits to be revenue neutral. The Oklahoma Tax Commission is now authorized to require proof of expenditures prior to issuing tax credits to any approved company. The measure extends the sunset date of the act from January 1, 2014, until January 1, 2016. The Oklahoma Tourism Development Act provides incentives for new or expanding tourism projects such as entertainment sites, areas of natural beauty, amusement parks, botanical gardens, and cultural or educational centers. The tourism project must attract at least 15 percent of out-of-state visitors, must cost at least \$500,000, and have a significant, positive economic impact.

To distinguish Oklahoma communities that may be attractive destinations for retirees, **SB 1640** creates the Certified Retirement Communities Program Act. The measure establishes application requirements to become a certified retirement community that include demographic information, such as crime statistics, recreational options, and housing availability; local civic and business support for the future of the community; and funding of at least \$20,000 to implement the Certified Retirement Communities Program. The certification process will be administered by the Oklahoma Department of Commerce and implemented through a pilot project, with Stillwater serving as the pilot community. Recertification is required every five years.

The Legislature further amended the Oklahoma Quality Jobs Program Act in two measures this session. The Oklahoma Quality Jobs Program Act is an incentive program that provides quarterly cash payments of up to 5 percent of newly created gross taxable payroll for up to ten years to qualifying companies in certain industries that have a contract with the Oklahoma Department of Commerce. To qualify, businesses must have a \$2.5 million annual payroll for new jobs in the state of Oklahoma, offer basic health insurance coverage to new employees at no more than 50 percent cost to employees, have at least 80 percent of new employees working at least 30 hours per week, and pay at least the average county wage. This incentive program may be combined with the investment and new jobs five-year tax credit program. Since its creation the Quality Jobs Program has enrolled more than 550 businesses which have received more than \$602 million in wage rebates.

To clarify and limit the Oklahoma Quality Jobs Program Act for federal contractors, **SB 2128** amends the definition of *qualified federal contract* as used in the act to require that federal contracts and subcontracts will only qualify for incentives if the contract involves services that are capable of being accomplished without Oklahoma workers but must be performed by an Oklahoma workforce. The measure also requires that federal contractors and subcontractors offer a basic health benefits plan, as defined in the act, to their employees within 180 days of employment in order to qualify for incentives.

The measure also amends the definition of *total qualified labor hours* to mean hours performed by Oklahoma workers. The measure adds a definition for *qualified federal contractor* to mean a business maintaining a prime contract with the federal government that adds to the contract by performing at least 8 percent of the total labor. The measure also increases the cap on the required average annual wage for federal contractors' and subcontractors' employees to be at least \$29,409, an increase from \$25,000, to qualify for incentives and for subcontractors to pay \$31 per hour, an increase from \$26 per hour.

SB 2128 establishes a threshold for annual gross qualified labor hours to be \$2.5 million within three years of the start date to be eligible for continued incentive payments and requires the Oklahoma Department of Commerce to verify the federal contractor or subcontractor is not receiving incentive payments through other state programs for the same project.

SB 2124 expands the definition of *basic industry* as used in the Oklahoma Quality Jobs Program Act to include the following business activities as industries qualifying for program incentives:

- Alternative energy structure construction;
- Solar reflective coating application;

Economic Development

- Solar heating equipment installation;
- Support activities for rail transportation; and
- Support activities for water transportation.

SB 1966 amends the Small Employer Quality Jobs Incentive Act by modifying requirements for program applicants after July 1, 2011, to achieve minimum employment of new direct jobs and sales within two years of the application date, rather than the one year deadline.

The measure also modifies requirements for incentive payments applicants to pay employees 125 percent of the average county wage of small employers in the particular county, rather than 125 percent of the average county wage for all employers in the county, or 110 percent of the average county wage of small employers in the county based upon the most recent wage and employment date from the Oklahoma Employment Security Commission, rather than U.S. Department of Commerce data.

The Small Employer Quality Jobs Program provides an incentive of quarterly cash rebates up to 5 percent of new taxable payroll for seven years, targeting manufacturers and certain service companies. Qualifying companies must have no more than 90 employees, create between five and 15 new jobs depending on city population, offer basic health insurance at no more than 50 percent cost to new employees, and have at least 75 percent of out-of-state sales. Currently, the program has 71 enrolled companies which have received \$3.3 million in wage rebates.

SB 1955 increases the maximum loan amount allowed under the Oklahoma Small Business Linked Deposit Act from \$1 million to \$1.2 million for small businesses.

SB 1592 allows the Oklahoma Employment Security Commission to release information required to identify economic trends to the Center for Economic and Business Development at Southwestern Oklahoma State University or any center of economic and business research or development at a comprehensive or regional higher education institution within the Oklahoma State System of Higher Education.

To improve the quality of life in rural communities in Oklahoma by ensuring access to basic medical care, **HB 1043** creates the Oklahoma Medical Loan Repayment Program. Contingent upon available funding, the bill provides educational loan repayment assistance to primary care physicians who agree to practice in an Oklahoma community approved by the Physician Manpower Training Commission. Up to six physicians will receive assistance in the amount of \$25,000 per year for five years. To be eligible, physicians must be licensed to practice medicine in Oklahoma, be newly graduated from medical school, and be practicing medicine. Preference will be given to graduates of the Oklahoma State University College of Osteopathic Medicine and the University of Oklahoma College of Medicine.

Expanding the list of projects that may qualify for Rural Economic Action Plan and Rural Economic Action Plan Water Projects funds, **HB 3291** adds public safety services and community buildings, courthouses, town halls, senior nutrition centers, meeting rooms, or similar public features as eligible projects.

The measure also reprioritizes projects that qualify for funds and specifies that at least 80 percent of any funds distributed must be for initial priorities, such as water quality, sewer improvements, road construction, fire protection and public safety, and job creation, with remaining funds for other projects, such as health care services, telecommunication, and community facilities. Qualified entities may apply for a grant to benefit an unincorporated area within a county served by that entity if the area benefited does not contain a population in excess of 7,000.

SB 1590 affects qualified small business capital companies and qualified rural small business capital companies by allowing income tax credits issued for these entities from January 1, 1998, until June 1, 2010, to be authorized if the qualified capital company has invested in one or more Oklahoma business ventures. The measure prohibits these tax credits after June 1, 2010.

HB 2846 authorizes the agencies of cities, towns, and counties to create a transportation authority or regional economic development authority to plan and operate transportation or regional economic development projects within the boundaries of the political subdivisions. The authority ceases to exist one year after the end of the operation.

Elections

The Legislature enacted numerous measures to ensure the continuation of a fair election process.

To deter election and voter registration fraud, **SB 1921** increases the maximum punishments for felony and misdemeanor violations of the election code, increasing felony punishments from a maximum fine of \$5,000 to \$50,000 and prison sentences from two years to five years. The measure also increases misdemeanor punishments from a maximum fine of \$1,000 to \$10,000. Additionally, the measure adds the following actions as felony acts under the election code:

- Knowingly voting with an absentee ballot issued to another person;
- Unauthorized people knowingly removing from or bringing a ballot to a polling location;
- Knowingly making false application for an absentee ballot;
- Knowingly causing the cancellation of a qualified voter's registration;
- Knowingly causing the collection or submission of voter registration forms containing false information; and
- Knowingly conspiring to commit election fraud.

SB 1910 authorizes the state central committee of a political party to nominate a county election board member if the county central committee fails to submit nominees or does not exist. The measure allows voters to remove themselves from the voter registration database, provided a written notice with such a request is notarized or witnessed by two persons who list their name and address.

The measure authorizes county election board secretaries to cancel a voter's registration upon receiving a certified copy of a death certificate. The measure also authorizes funeral directors and veterans' center administrators to execute the form declaring an individual to be deceased for removal from the voter registration database.

SB 1910 authorizes a board of county commissioners to supplement the salary of the county's election board secretary with additional compensation from county funds. The measure also modifies and clarifies language in the election code and repeals sections of law relating to counting, official precinct results, and the seal and transfer of the count.

SB 2142 modifies information needed to transmit balloting materials to Federal Post Card Application registrants for state or federal elections, removing the requirement that the voter provide a current address outside the United States, only requiring an e-mail address. The measure also provides special write-in absentee ballots for voters covered by the federal Uniformed and Overseas Absentee Voting Act of 1986, for all federal and statewide offices on the ballot.

Affecting candidates' filing procedure, **HB 3261** lowers the percentage of registered voters' signatures required for filing a petition with a declaration of candidacy in lieu of a filing fee to 4 percent. Currently the requirement is 5 percent.

Elections

The measure also repeals the section of law regarding forfeiture of candidate filing fees, which authorizes filing fees to be returned to certain candidates. Repealing this section will allow the state and county election boards to retain all candidates' filing fees for operations and conducting elections.

Affecting campaign procedure and required reporting for campaigns, **HB 2408** requires the Ethics Commission to make available on its website forms required by the Political Subdivisions Ethics Act and copies of the act and strikes the requirement that the commission provide copies to county election boards and clerks of political subdivisions for distribution to candidates, committees, officials, and employees.

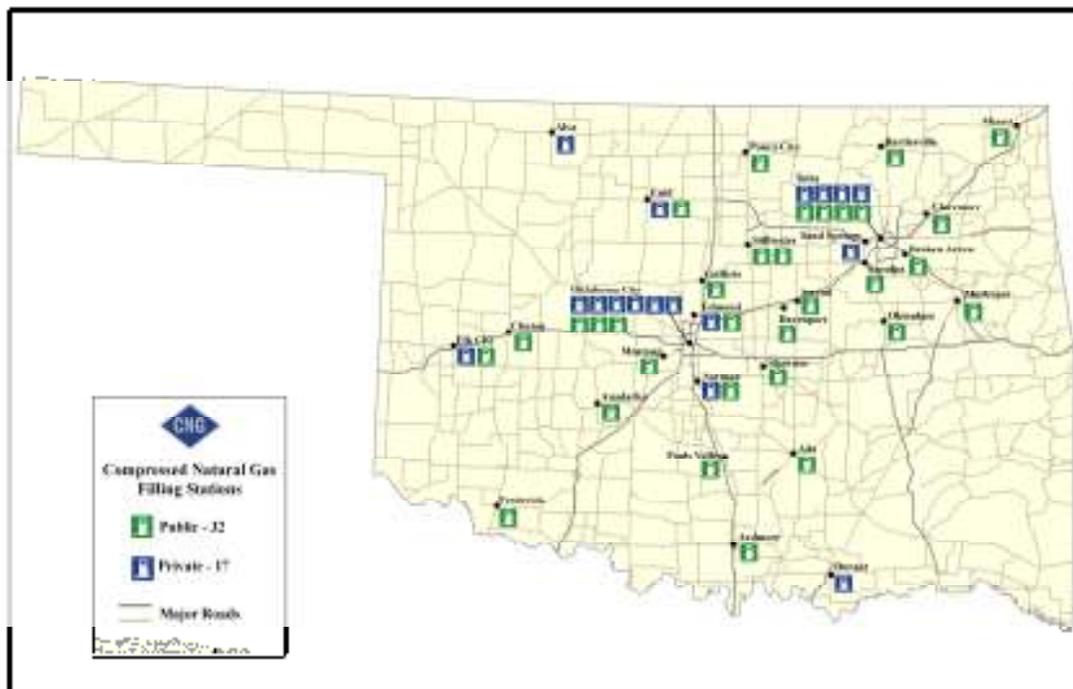
The measure also allows up to \$25,000 of fees collected by the commission each year for late filing of contributor reports and statements of financial interests to be deposited in the Ethics Commission Fund and any amount exceeding \$25,000 to be deposited in the General Revenue Fund.

HB 2408 repeals the requirement for the signed and notarized form attesting to the accuracy of the quarterly filed campaign report.

Energy

The Legislature continued its focus on the sustainability of Oklahoma's energy resources and the promotion of alternative sources of energy during the 2010 legislative session. A number of measures enacted seek to maintain Oklahoma's status as a national leader in the fields of energy production and alternative energy innovation. In addition, numerous measures that were enacted address issues posed by the burgeoning field of alternative energy.

To increase the use of domestic energy resources, the Legislature enacted **HB 3028**. The measure creates the Oklahoma Energy Security Act which establishes a voluntary goal of increasing the installed capacity of electricity derived from renewable energy sources to 15 percent by the year 2015. Qualifying renewable energy sources include wind, solar, hydropower, geothermal, biomass, demand side management and energy efficiency, distributed generation, and other renewable sources as approved by the Oklahoma Corporation Commission. Natural gas is also declared as the preferred choice of electric generation for new fossil fuel generating facilities. In addition, the measure states that it is the intention of the State of Oklahoma to increase the state's electricity transmission capacity as it relates to the development of wind-energy development. The measure also states that it is the intention of the State of Oklahoma to increase public access to compressed natural gas (CNG) fueling stations by having at least one public CNG fueling station every 100 miles along the interstate highway system in the state by the year 2015. The goal increases to one public CNG station every 50 miles by 2020. The map below indicates the locations of existing CNG filling stations.



A number of measures address the state's expanding alternative energy sector. **HB 2973** creates the Oklahoma Wind Energy Development Act by providing guidelines for the proper decommissioning of wind energy production facilities upon abandonment or at the end of the useful life of such facilities. Proper *decommissioning*, which is defined as the removal of wind turbines, towers, buildings, cabling, electrical components, foundations, and any other associated facilities, to a depth of 30 inches below grade, must be completed within 12 months of abandonment or cessation of operation. The Oklahoma Corporation Commission is authorized to complete the decommissioning should the owner fail to do so within the time period.

Also related to alternative energy, **SB 1692** extends the termination date for the Oklahoma Clean Energy Independence Commission from December 1, 2010, to December 31, 2011. The commission is comprised of representatives from governmental agencies with energy-related responsibilities; private energy industries, including traditional and alternative technologies; and public and private state universities with an interest in energy technologies. The entity is also authorized to issue reports, as the secretary of energy deems necessary, regarding goals and recommendations for achieving clean energy independence. Since its creation last year, the commission has been involved in formulation and support of clean energy policy proposals. In addition, **SB 1787** restricts the permanent severing of the airspace over any real property located in the state for the purpose of developing and operating commercial wind or solar energy conversion systems. Leasing arrangements for the development of wind or solar energy conversion systems may only be made with the legally authorized owner of the surface estate. The measure defines a *wind or solar energy agreement* and provides that such agreements are required to run with the land benefitted and burdened and may only terminate upon the conditions stated in the agreement.

SB 2201 permits administrators, executors of estates, and guardians of minors or incompetent people to enter into contracts with companies or partnerships involved in construction, operation, and maintenance of wind energy conservation systems.

The Legislature also enacted three energy-related task forces this session. **SB 1326** recreates the Oklahoma Geologic Storage of Carbon Dioxide Task Force until December 1, 2010. The task force is required to study any issues necessary to implement the transmission and storage of carbon dioxide in geologic formations, including insurance, liability, and ownership issues relating to long-term carbon dioxide storage facilities. A final report is due no later than December 15, 2010. **SB 840** creates a legislative task force to study the availability of retail natural gas service in Oklahoma. The measure requires the task force to explore options to overcome obstacles impeding the expansion of retail natural gas supply services to new homes and commercial facilities and to solicit participation from all retail natural gas providers in the area of the state south of Interstate 40 to determine what remedies may be available to overcome existing impediments. **SB 2169** creates the Task Force on Tax Incentives to Increase Natural Gas Pipeline Capacity. The measure requires the task force to study existing tax incentives available to the natural gas pipeline transmission industry and to determine the extent to which tax incentives are used and the estimated fiscal impacts of such incentives on the industry and state revenue. The seven-member task force is required to report its findings by December 31, 2010.

SB 300 authorizes the Oklahoma Corporation Commission to promulgate, adopt, and enforce reasonable rules establishing minimum state safety standards for the design, construction,

maintenance, and operation of all pipelines used for the transmission and distribution of natural gas in Oklahoma. The measure removes numerous statutory provisions relating to commission authority regarding the transmission and distribution of natural gas, including the removal of a provision prohibiting the commission from promulgating and enforcing rules that are more restrictive than the rules, regulations, and interpretations of the U.S. Secretary of Transportation for pipeline transportation and pipeline facilities.

HB 1281 reduces the number of times, from at least once per month to four to six times annually, the Department of Mines is required to inspect certain mines. The measure raises the per-ton fee on noncoal minerals from three-fourths of 1 cent to 1 cent which is expected to yield an additional \$150,000 annually for the department.

HB 2432 amends the payment of Gross Production Tax rebates for horizontally drilled and deep wells spudded and drilled to a depth exceeding 15,000 feet by requiring that refund claims for the production periods within the fiscal years ending June 30, 2010, and June 30, 2011, be filed and received by the Oklahoma Tax Commission no later than December 31, 2011. The measure also reduces the tax rate for horizontally drilled wells to a rate of 1 percent for 48 months from the month of initial production for production commenced on or after July 1, 2011, and prior to July 1, 2015.

Refund claims for the production periods beginning on or after July 1, 2009, and ending on or before June 30, 2011, are to be paid in equal payments over 36 months. The tax commission is required to provide the operator or designated interest owner a schedule of rebates to be paid over the 36 month period beginning after July 1, 2012, but prior to August 1, 2012. In addition, the measure provides that the tax commission be assessed a 9 percent penalty interest rate to accrue each day that a required payment is not made by the end of the month for which payment is required.

SB 2124 expands the definition of *basic industry* as used in the Oklahoma Quality Jobs Program Act to include the following business activities as industries qualifying for program incentives:

- Alternative energy structure construction;
- Solar reflective coating application; and
- Solar heating equipment installation.

As stated in the legislative intent, to balance the FY-2011 budget, **SB 1267** establishes a two-year moratorium on an assortment of specified tax credits. The moratorium will be in effect from July 1, 2010, through June 30, 2012. The tax credits that fall under the moratorium include the following:

- Income tax credit for gas used in manufacturing;
- Income tax credit for contributions to the Energy Assistance Conservation Fund, for 50 percent of contribution amount;
- Tax credit for purchase of Oklahoma-mined coal;
- Income tax credit for production and sale of electricity generated by Oklahoma zero-emission facilities;
- Tax credit for manufacturers of advanced small wind turbines;

- Tax credit for contractors' expenses in construction of energy efficient homes (2,000 square feet or less), \$4,000 for property certified at 40 percent above International Energy Conservation Code or \$2,000 for 20-39 percent;
- Tax credit for qualified ethanol facility; and
- Income tax credit for qualified biodiesel facility.

In other measures related to energy and utility regulation:

- **HB 2912** makes it unlawful for any person to intentionally or maliciously injure, deface, alter, destroy, or tamper with any safety equipment used in the drilling or production of an oil or gas well.
- **SB 1615** creates the Oil and Gas Owners' Lien Act of 2010. The measure provides that to secure the obligations of a first purchaser to pay the sales price, each interest owner is granted an oil and gas lien to the extent of the interest owner's interest in oil and gas rights. Under the measure, except for a permitted lien, an oil and gas lien is to take priority over any other lien, whether arising by contract, law, equity or otherwise, or any security interest.
- **HB 2697** provides that all payments made pursuant to the Production Revenue Standards Act to owners or any other person or governmental entity legally entitled to the payment may be made electronically including but not limited to electronic funds transfer, Automated Clearing House, direct deposit, wire transfer, or any other similar form of transfer, upon the mutual written consent of both the payor and payee.
- **HB 2626** authorizes the Oklahoma Corporation Commission to promulgate specifications for the safety and quality of biodiesel.
- **HB 2519** extends the credit for coal mined in Oklahoma for two years after a two-year moratorium spelled out in SB 1267 has expired.
- **SB 1882** extends the current three-tiered gross production tax rates from expiring on June 30, 2010, to expire June 30, 2013. The measure also extends the gross production tax exemptions for economically at-risk oil and gas wells for the next three calendar years, 2011 through 2013.

Environment

The Legislature dealt with a variety of environment-related issues, ranging from alternative energy and regulations to task forces. These measures attest to the diversity of environmental issues faced by the state of Oklahoma.

Two measures were enacted related to the Department of Environmental Quality (DEQ) and its enforcement of environmental regulations. **HB 1554** prohibits municipal solid waste landfills from accepting for disposal any municipal sewage sludge unless it has been properly treated to meet Class B requirements for pathogen reduction pursuant to federal regulations and the sludge does not contain any free liquids pursuant to the federal Paint Filter Liquids Test.

DEQ may refuse to renew, or may suspend or revoke, a permit issued to a municipal solid waste landfill pursuant to the Oklahoma Solid Waste Management Act for any willful violation of the requirements spelled out by this law.

Second, **SB 1678** requires DEQ to recognize environmental lab accreditations without any duplicative actions to determine the lab's conformity to certain industry standards. The measure's requirement does not grant automatic accreditation by DEQ or exemption from complying with DEQ's processes.

SB 1695 amends permit requirements for certain wastewater treatment systems. Under current law, no person or entity may construct or contract for any construction work for a municipal treatment works, nonindustrial wastewater treatment system, sanitary sewer system, or other sewage treatment works without first obtaining a permit. The measure provides that permits may only be issued to a public entity if all components of the proposed system, including the service lines, are or will be located on property that is owned by the owner of the system or dedicated to the owner of the system in a recorded easement for the installation and operation of the system. In addition, the measure provides an exemption from certain permitting requirements for individual and small public sewage treatment systems that are constructed or modified in accordance with existing requirements.

The Legislature passed two measures that would help regulate potential environmental impacts from alternative energy. **HB 2973** creates the Oklahoma Wind Energy Development Act by providing guidelines for the proper decommissioning of wind energy production facilities upon abandonment or at the end of the useful life of such facilities. The Oklahoma Corporation Commission is authorized to complete the decommissioning should the owner fail to do so within the time period. Also, **HB 2626** authorizes the Oklahoma Corporation Commission to promulgate specifications for the safety and quality of biodiesel.

Under the provisions of **SB 441**, beginning July 1, 2010, a waste tire recycling fee of 5 cents per pound of the weight of the tire will be assessed on tires used on implements of husbandry and agricultural equipment that are not more than 14 inches wide and 44 inches in diameter. A minimum fee of \$2.50 is required per tire.

Environment

In addition, beginning July 1, 2013, tires used on the above equipment that are any size must be assessed a waste tire recycling fee of 5 cents per pound of the weight of the tire, with a minimum fee of \$2.50 per tire. The Department of Environmental Quality is required to maintain a list of agricultural tire weights for tires subject to the assessment. The list must be available to tire dealers upon request.

Finally, three other environment-related bills were passed, the last of which creates a task force:

- **SB 1765** provides that it is the duty of the person contracting with an installer who is modifying or installing on-site sewage treatment systems for a residence or business to certify the number of bedrooms in the residence or the water usage of the business that will be served by the sewage treatment system so that the system can be properly sized.
- **HB 2509** adds incinerators to those entities required to install scales and pay certain fees based on tonnage of solid waste received.
- **SB 1330** creates the Invasive Species Task Force to create a statewide plan for eradication of invasive species. Invasive species are those species that are detrimental to the natural resources and agricultural production in the state as well as those that pose a potential disease risk. Feral swine, eastern red cedar trees, and zebra mussels are all examples of invasive species found in Oklahoma. The task force must report its findings to the president pro tempore of the Senate and the speaker of the House of Representatives by December 31, 2010.

Government Modernization

Modernizing state government was a major focus of the Legislature in 2010. Numerous measures were enacted in an effort to streamline and provide open and accountable accessibility for the public.

HB 2698 creates a section of new law to be known as the Oklahoma Government Website Information Act. This bill requires public bodies make available on their Internet website on or before January 1, 2011, any:

- Administrative rules;
- Proposed administrative rules;
- Statutes affecting the public body; and
- Statutes the public may find useful when interacting with the public body.

Public body is to be used as defined in the Oklahoma Open Meeting Act.

SB 1759 adds stimulus fund expenditures to the Taxpayer Transparency Act, requiring the name and principal location of the entity and recipients of funds, the amount of funds expended, the funding or expending agency, and the descriptive purpose of the funding to be posted as soon as practicable.

SB 1759 also creates the Oklahoma State Government 2.0 pilot program. Under the program, the State Governmental Technology Applications Review Board may approve a standardized social media policy for use by state agencies, boards, commissions, and public trusts having the state as their beneficiary. The board also must establish technology standards and standardization policies and set a schedule by which these standards must be utilized by agencies, boards, and commissions.

The bill also requires the state auditor and inspector to maintain a searchable website that provides public access to documentation showing how federal stimulus funding has been spent. Separately, the bill adds institutions of higher education to the list of entities required to provide a list of all purchasing card transactions.

HB 3422 requires the Office of State Finance (OSF) to update the state's Open Books website with Open Books 2.0 by January 1, 2011.

Open Books 2.0 is a more expansive, searchable online database that lists individual expenditures, regardless of amount, separate from aggregated amounts. The website must present the data in a standardized exportable format. Within 18 months of Open Books 2.0 being online, OSF must create an online archive for each fiscal year beginning with FY-2011. The archive must be accessible and searchable to online users.

HB 3422 also requires the Oklahoma Tax Commission to prepare and maintain a list of all taxpayers who have claimed any tax credit authorized by any provisions of state law and related to a tax administered by the tax commission. This list includes all taxpayers or organizations having any part in the chain of custody or claim to the credit at any time during the credit's existence from the initial time the credit is earned, through the time that the credit is claimed on a tax return.

The OSF must make the list available online. The list must include the name of each taxpayer who claimed a credit, the amount of the credit, and the specific statutory provision under which the credit was claimed. The list must be updated at least monthly.

To modernize vehicle registration renewal notices, **SB 1397** amends the Oklahoma Vehicle License and Registration Act. The measure requires the Oklahoma Tax Commission to send its required annual notifications for vehicle registration renewal to the e-mail address provided by the taxpayer. If an e-mail address is not provided, the tax commission is required to notify the taxpayer by mail. The measure also adds lienholder information to the list of information required on a vehicle inquiry screen printout.

The tax commission is also required to provide information on its public website on the procedure for obtaining an annual notification via e-mail free of charge. The information must outline all charges and fees associated with the registration of a vehicle, as well as an explanation of the apportionment of vehicle fees and penalties.

In similar fashion, **SB 1398** amends the Oklahoma Vessel and Motor Registration Act for registration renewal for boats and other watercraft. The measure authorizes the tax commission to send its required annual renewal notifications for vessel or motor registration by e-mail. The measure allows taxpayers to opt out of the e-mail notification system; however, persons who choose to receive annual notification through the mail will be assessed an annual fee of 50 cents to cover the cost of printing and mailing renewal notifications. A fee exemption is provided for members of the U.S. Armed Forces, the Reserve Corps of the U.S. Armed Forces, and the Oklahoma National Guard and their spouses.

The tax commission is also required to provide instructions on its public website regarding the procedure for obtaining an annual notification by e-mail free of charge. The information must outline all charges and fees associated with the registration of vessels and motors and an explanation of the apportionment of vessel and motor registration fees and penalties.

SB 1697 updates language related to the Publications Clearinghouse unit of the Oklahoma Department of Libraries by allowing for the storage of electronic-only documents. The measure requires a directory of links to electronic publications be prominently available at www.ok.gov; reduces the required number of paper copies of Oklahoma Statutes, Supplements, and Session Laws that are not published in electronic format from 110 to 60 copies and requires agencies to maintain links to electronic versions of publications.

HB 3312 creates new law which permits counties and county officers to establish and use an Internet-based reverse auction bidding procedure to obtain bids for the purchase of goods or services of any kind. All electronic bids are subject to the same public disclosure laws that

govern bids received pursuant to any other Oklahoma law governing procurement procedures for a county.

SB 1900 authorizes the tax commission to maintain, as part of its online business registration system, the capability for an applicant to obtain a document electronically to serve as proof of registration under the system. These requirements do not apply to building permits issued for new construction or remodeling projects less than \$50,000.

HB 3026 creates the Commissioners of the Land Office Modernization Act. The act establishes a \$1,000 fine for any employee of the office found guilty of a felony for tampering with records of the office and allows imprisonment for up to five years. It gives the office the right to sell or exchange land when it is in the best interest of the trust and institutes modern check-writing and accounting practices designed to protect the office.

Any information obtained by an appraiser for the commissioners will not be public record and will not be disclosed unless commissioners determine disclosure is in the best interest of the trust.

Providing policymakers and the public with more information on reintegration was the subject of **SB 2259** which requires the director of the Department of Corrections to post on the department's website a report on the use of work release programs, work centers, community corrections centers, intermediate sanctions facilities, halfway houses, and transitional living centers to reintegrate offenders.

The Oklahoma Tax Commission is required by **SB 1954** to allow customers who use online renewal for their motor vehicle tags to select a tag agent to provide the service. The online system must include a step allowing the individual to select between any motor license agent in the state and the commission to process any registration renewal or other request.

SB 1633 creates the School District Transparency Act which requires the State Department of Education to maintain on its website a database of school district expenditures that the public may download and sort. There will be no charge for access. The database will show things such as credit card statements, per pupil expenditures, and budgeted and audited expenditures for each fiscal year. The department will make the data available on its website within 120 days after school districts provide it. If a district maintains a website, the district must put the data on its website.

SB 2129 creates the seven-member Statewide Virtual School Task Force to explore the feasibility of a statewide virtual school and recommend the purpose, structure, enrollment process, types of courses, services provided, location of operations, and funding for the school.

SB 2318 allows students enrolled in online courses to take state and district-required tests at alternative locations approved by the State Board of Education. Alternative locations may include technology center school sites or other locations selected by the school offering the online course. The school offering the course will be responsible for costs of providing alternative testing locations. Schools must provide at least six sites with one in each quadrant of

Government Modernization

the state and in each of the two metropolitan areas of the state. **SB 2319** requires the State Board of Education to adopt rules for implementation of online courses.

HB 3171 specifies that death certificates are to be filed with the State Department of Health, rather than a local registrar and directs that, no later than July 1, 2012, personal data required for the death certificate that is obtained by the funeral director be entered electronically into a system provided by the state registrar of vital statistics. The bill also requires the death certificate produced by the electronic system to be available to the physician or medical examiner for certification within 24 hours after the death and provides that the department give access to the electronic system at no cost.

Several other bills further expand the use of technology in government operations and procedures:

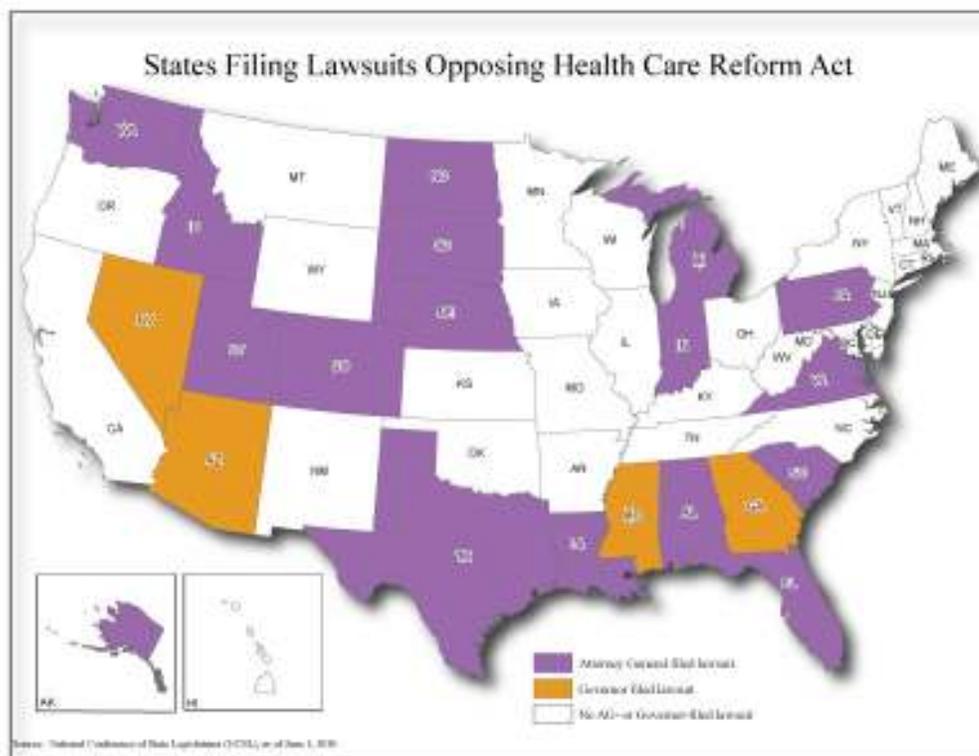
- **HB 2921** authorizes county purchasing agents to use electronic commerce for solicitation, notification, and other purchasing processes.
- **HB 2775** authorizes the State Department of Health to contract with an existing vendor to provide Women, Infants, and Children (WIC) benefits electronically.
- **HB 2697** allows all payments made pursuant to the Production Revenue Standards Act to owners or any other person or governmental entity legally entitled to the payment to be made electronically.
- **SB 1373** creates the Oklahoma Health Information Exchange Trust. One of the trust's duties is to expand the electronic use of health information and to develop electronic health information exchanges at the state level.
- **SB 2054** authorizes the insurance commissioner to require documents to be filed electronically with the department.

The chart below indicates government entities that were recreated under provisions of the Oklahoma sunset law:

Bill #	Sunset Entity – 2010 Legislative Session	Sunset Date
HB 2281	Electronic and Information Technology Accessibility Advisory Council	July 1, 2014
HB 2282	Group Homes for Persons with Developmental or Physical Disabilities Advisory Board	July 1, 2014
HB 2283	Omnibus Entities Listing	July 1, 2014
HB 2284	Board of Licensed Architects, Landscape Architects and Registered Interior Designers	July 1, 2014
HB 2285	Long Term Care Facility Advisory Board	July 1, 2014
HB 2286	Oklahoma Accountancy Board	July 1, 2014
HB 2287	Commission on Marginally Producing Wells	July 1, 2014
HB 2288	Oklahoma Funeral Board	July 1, 2014
HB 2289	State Board for Licensure for Professional Engineers and Land Surveyors	July 1, 2014
HB 2290	Licensed Alcohol and Drug Counselors and Strategic Military Planning Commission	July 1, 2014
SB 1907	Minority Teacher Recruitment Advisory Committee	July 1, 2011

Health Care

During consideration of and after passage of the federal health care reform legislation, a number of states' attorneys general filed lawsuits to stop enactment of the legislation. In Oklahoma, after the attorney general declined to join in the lawsuit, the Legislature passed **SCR 64**, authorizing the president pro tempore of the Senate and the speaker of the House of Representatives to employ legal counsel to file a lawsuit to prevent the provisions of the Patient Protection and Affordable Care Act (PPACA) from taking effect. The map below shows which states will file lawsuits opposing the Health Care Reform Act.



SJR 59 will send a proposed state constitutional amendment to a vote of the people. If approved, the amendment will prohibit a law or rule from compelling any person, employer, or health care provider to participate in any health care system and will specify that a person or employer may elect to pay directly for lawful health care services and cannot be required to pay a penalty for doing so.

To shore up the state's Medicaid program and prevent severe cuts to hospitals and other health care providers due to the budget shortfall, the Legislature enacted **HB 2437** which creates the Health Carrier Access Payment Revolving Fund and establishes a 1 percent access payment to be paid by health carriers on all claims until January 1, 2015. In August, the State Supreme Court ruled the measure to be unconstitutional on the grounds that the 1 percent access fee was a

revenue-raising measure that was not passed by three-fourths majority of the Legislature and that was passed during the last week of the session. This court case can be found on the Internet at: <http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=461120>

SB 2045 requires all individual and group health insurance policies to provide coverage and benefits for children under 18 years of age diagnosed with an autistic disorder with the same coverage and benefits as provided for other children. This provision will not be construed to require insurers to cover the diagnosis or treatment of any autistic disorder.

Legislators reached a resolution to the debate over Certified Registered Nurse Anesthetists (CRNA) practicing various forms of pain management. **SB 479** restricts the practice of interventional pain management to licensed physicians and prohibits a CRNA from operating a freestanding pain management facility without direct supervision of a qualified physician. CRNA's may continue to administer epidural steroid injections and peripheral nerve blocks under the supervision of a physician.

Higher Education

In the areas of higher education and technology center education, legislators passed a variety of bills from regulations regarding smoking on campus to allowable uses for funds.

HB 2748 clarifies that all buildings owned by educational institutions can be designated as smoke free and allows higher education institutions to declare campuses tobacco free, including smokeless tobacco, and to set regulations. Educational institutions and higher education institutions may enforce penalties for violations.

Two measures deal with student loans. **HB 2644** allows the State Regents for Higher Education to administer the student loan guarantee program under the federal Higher Education Act of 1965 for attendance at any participating school. The state regents or a contractor may provide students with support services in areas like default prevention, financial literacy, financial aid awareness, college access and outreach, and other areas permitted by federal legislation. The federal act will determine interest rates for the loans. **HB 1043** creates the Oklahoma Medical Loan Repayment Program which, contingent upon available funding, provides educational loan repayment assistance to primary care physicians who agree to practice in an Oklahoma community approved by the Physician Manpower Training Commission. Up to six physicians will receive \$25,000 per year for five years. To be eligible, physicians must be licensed to practice medicine in Oklahoma, be newly graduated from medical school, and be practicing medicine. Preference will be given to graduates of the Oklahoma State University College of Osteopathic Medicine and the University of Oklahoma College of Medicine.

SB 1332 allows the Oklahoma State Regents for Higher Education to refinance or restructure outstanding equipment leases or real property obligations.

HB 2274 allows school districts and technology center school districts to use building fund monies for repairing and maintaining computer systems and equipment and to pay for telecommunications utilities. It also allows technology center school districts to use building fund monies to pay energy utility costs and to purchase telecommunications services.

HB 3031 allows the Oklahoma Capitol Improvement Authority to issue bonds, notes, and other obligations to refinance or restructure outstanding obligations for the program established to fund the state's contribution to endowed chairs, professorships, lectureships, and positions for artists in residence for institutions in the Oklahoma State System of Higher Education.

HB 3026 creates the Commissioners of the Land Office Modernization Act. The act establishes a \$1,000 fine for any employee of the office found guilty of a felony for tampering with records of the office and allows imprisonment for up to five years. It gives the office the right to sell or exchange land when it is in the best interest of the trust and institutes modern check-writing and accounting practices designed to protect the office.

Higher Education

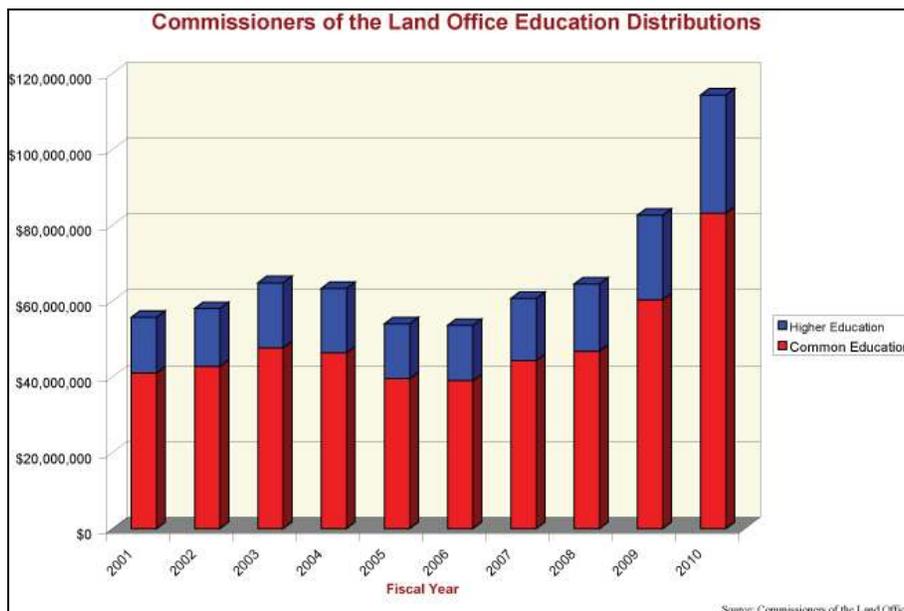
It also provides for a four-year term for the Secretary of the Land Office. The secretary may serve consecutive terms and may serve past the term of the appointing governor only until a successor is appointed. To serve, the secretary must:

- Possess an advanced degree from an accredited college or university;
- Have not less than five years experience in government, law or finance; and
- Meet other requirements as specified by the Commissioners of the Land Office.

The bill allows the secretary to appoint all employees except the general counsel, whom the Commissioners of the Land Office will appoint or dismiss.

The commissioners may not invest more than 60 percent of the trust fund investments in equity securities, and the office's revolving fund will be a continuing fund not subject to fiscal year limitations. Funds may be used to pay for equipment and supplies for a modern system of accounting and any attorney fees and litigation or collection costs or expenses.

Any information obtained by an appraiser for the commissioners will not be public record and will not be disclosed unless commissioners determine disclosure is in the best interest of the trust. Reforms in the measure allow the office to increase distributions to education, as shown in the following graph.



SB 2183 directs the secretary of the Commissioners of the Land Office to study the possibility of selling some sections of school land while retaining mineral rights and whether that might provide a better benefit to the commission and the state. The secretary is required to submit a report to the speaker of the House of Representatives, the president pro tempore of the Senate, and the governor by December 1, 2011.

SB 2108 allows boards of education to convey real property no longer needed to educational institutions within the Oklahoma State System of Higher Education.

HB 2332 adds institutions of higher education to the list of entities required to provide a list of all state purchasing card transactions.

SB 1592 allows the Oklahoma Employment Security Commission to release information required to identify economic trends to the Center for Economic and Business Development at Southwestern Oklahoma State University or any center of economic and business research or development at a comprehensive or regional higher education institution within the Oklahoma State System of Higher Education.

SB 1609 allows university presidents on the Oklahoma Science and Technology Research and Development Board to appoint designees who will have full voting privileges.

Human Services

Two measures dealt with this session relate to the records of investigations involving vulnerable adults. **HB 2776** provides that after a person responsible for a vulnerable adult's care has been charged in the death or near death of the victim, the Department of Human Services (DHS), the district attorney, and the judge having jurisdiction of the case disclose certain information including:

- Confirmation that a report has been made to DHS concerning the victim or other vulnerable adults living in the same household or facility;
- A summary of previous reports made concerning the victim and the outcome of any investigations; and
- The dates of any judicial proceedings prior to the death or near death of the victim and any rulings of the court.

A related measure, **SB 1601**, provides that the records of Adult Protective Services investigations cannot be expunged except by court order and requires written notice be given to certain parties upon a petition or motion requesting expungement. The bill also directs DHS and the Department of Mental Health and Substance Abuse Services to develop and implement a Vulnerable Adult Intervention Task Force for the purpose of making recommendations on the best ways to provide interdisciplinary community assistance for persons with physical and mental disabilities, dementia and other related conditions. The task force is required to submit a report to the Legislature on or before December 31, 2010, and every year thereafter.

HB 2999 adds municipal employees to the list of persons required to report that a vulnerable adult may be the victim of abuse, neglect, or exploitation.

HB 3323 directs the Developmental Disabilities Services Division of DHS to require authorized persons accessing service recipient information in a home record to sign a form certifying that they understand the penalties for misuse of confidential information contained in the record.

SB 1776 renames the Oklahoma 211 Advisory Collaborative the Oklahoma 211 Coordinating Council and specifies duties of the council.

HB 2717 authorizes any federally recognized Indian tribe, band, or nation that benefited from the creation of a state agency housing authority to assume management and control of the state agency housing authority and all its assets.

SB 1280 provides that services performed as a participant in a work or training program administered by DHS or services performed in a transitional jobs program under certain conditions are not considered employment for purposes of the Employment Security Act of 1980.

Hunting and Fishing

Four measures make changes in the areas of hunting and fishing. As a result of recommendations from the Department of Wildlife Conservation Consolidation of Licenses, Permits, and Fees Task Force, **HB 2963** focuses on simplifying and reducing the types of hunting and fishing licenses. This bill:

- Allows any person in the U.S. Armed Forces to purchase a resident hunting or fishing license;
- Consolidates the lifetime hunting licenses so that senior citizens get the same benefits as all other lifetime licensees;
- Increases the nonresident five-day fishing license to six days;
- Adds black bear to the list of species exempt from a substitute temporary license and five-day nonresident hunting license;
- Creates a new set of hunting licenses that expires on June 30, instead of December 31, so that the licenses coincide with hunting seasons that extend beyond the New Year;
- Allows residents under 18 years of age to pay for lifetime hunting, fishing, or combination licenses over three years;
- Makes the state fishing license valid for trout fishing;
- Removes the option of buying an Oklahoma resident lifetime waterfowl hunting license and provides the option of a substitute temporary license for persons arrested for hunting waterfowl without a valid Oklahoma license; and
- Increases nonresident hunting and fishing license fees.

Another bill related to hunting is **SB 1594** which makes crossbows and conventional longbows with a device that permits the bow to be held mechanically at full or partial draw a legal hunting method during any open season when use of conventional longbows are legal.

Dealing with criminal behavior, **HB 2861** allows those who have had their hunting and fishing licenses revoked to apply for a new license after paying fines and a restitution fee. The amount of the fee depends on which statute has been violated, with higher fees applying to offenses involving the unlawful possession, taking, or killing of wildlife.

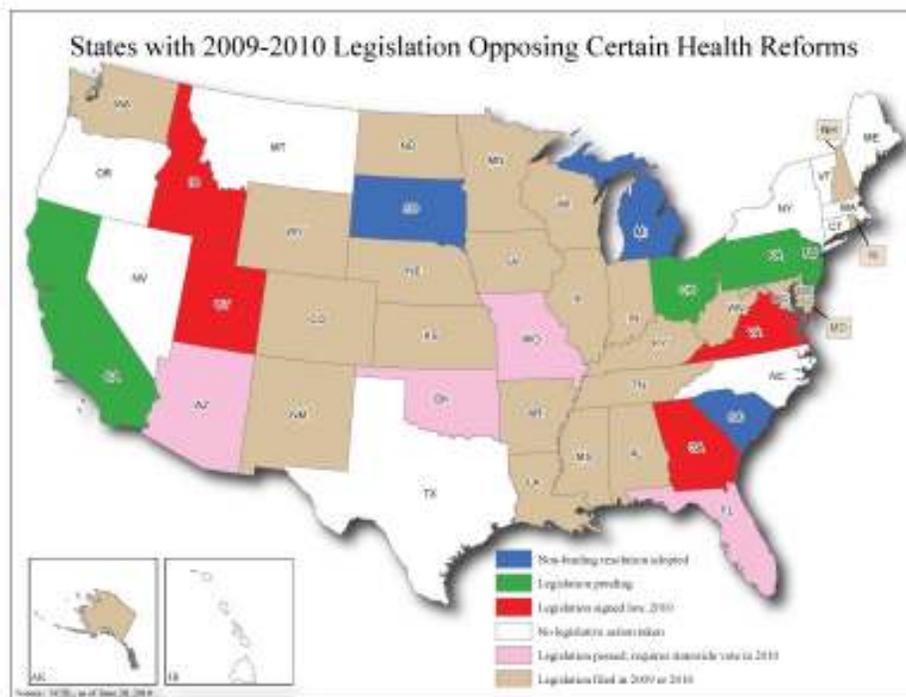
Legislators also examined how the state could deal with individuals who violate wildlife-related provisions of the Oklahoma Statutes. **HB 1889** adds Oklahoma to the Interstate Wildlife Violator Compact, which allows participating states to suspend wildlife license privileges of any person whose license privileges have been suspended by a participating state. Oklahoma joins dozens of state in the compact, as shown in the map below.

Insurance

A number of insurance reforms were enacted to make Oklahoma's insurance laws more uniform with other states. Health insurance plans were a major concern to legislators this session.

Joining in on the national debate surrounding health care reform the Legislature passed **SJR 59** proposing a constitutional amendment to be sent to a vote of the people, prohibiting any rule or law requiring any person, employer, or health care provider to participate in any health care system.

The proposed amendment would allow any person or employer to pay directly for health care services, exclusive of any fines or penalties, and would allow health care providers to accept direct payment from individuals or employers without being subject to fines or penalties. The purchase or sale of private health insurance must not be prohibited by law or rule. The proposed amendment will not affect the services of a health care provider, restrict them, or affect laws or rules currently in effect. The map below reflects those states with legislation opposing federal health reforms as of June 2010.



During consideration of and after passage of the federal health care reform legislation, a number of states' attorneys general filed lawsuits to stop enactment of the legislation. In Oklahoma, after the attorney general declined to join in the lawsuit, the Legislature passed **SCR 64**, authorizing the president pro tempore of the Senate and the speaker of the House of Representatives to

employ legal counsel to file a lawsuit to prevent the provisions of the Patient Protection and Affordable Care Act (PPACA) from taking effect.

As part of the budget agreement to help fund the state's Medicaid program, **HB 2437** creates a 1 percent payment based upon claims paid by a health insurance carrier. In August 2010, the Oklahoma Supreme Court found the measure to be unconstitutional. This case can be found on the Internet at: <http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=461120>

The Legislature enacted **SB 1251** prohibiting health benefit plans from denying coverage, refusing to renew, or cancelling any person's health benefit plan on the basis of the person's status as a victim of domestic abuse. Health benefit plans are also prohibited from denying a claim based upon a person's status as a victim of domestic abuse, and domestic abuse will not be considered a preexisting condition. The measure requires that for the mandate to apply, the acts constituting the domestic abuse are required to be reported to a law enforcement agency with the relevant facts.

SB 2045 requires the insurance commissioner to develop a uniform health questionnaire for small employers applying for group health plans. Small employer health carriers are required to use the questionnaire within six months after adoption by the Insurance Department. The measure also requires all individual and group health insurance policies to provide coverage and benefits for children under 18 years of age diagnosed with an autistic disorder with the same coverage and benefits as provided for other children. This new mandate will not be construed to require insurers to cover the diagnosis or treatment of any autistic disorder.

HB 2777 directs the Oklahoma Health Care Authority to verify the individual income of an applicant for participation in the Insure Oklahoma employer-sponsored or individual plan program using Oklahoma Tax Commission records, Oklahoma Employment Security Commission new hire report data, and child support payment data collected by the Department of Human Services.

SB 2051 prohibits a dental plan of a health benefit plan from dictating the fee a dentist may charge a patient for a procedure the plan does not cover.

To standardize Oklahoma's guaranty insurance laws, **SB 2043** modifies provisions of the Oklahoma Life and Health Insurance Guaranty Association Act to reflect National Association of Insurance Commissioners (NAIC) model language, including:

- Modifying the definition of *member insurer* to exclude any organization that has a certificate or license limited to the issuance of charitable gift annuities;
- Establishing caps on benefits the association may be obligated to cover; and
- Authorizing the board of directors to make reports and recommendations to the insurance commissioner regarding the solvency, liquidation, or conservation of any member insurer.

To coincide with other NAIC model language, **SB 2044** modifies provisions of the Oklahoma Property and Casualty Insurance Guaranty Association Act to include the following:

- Authorizes the association to pay claims in any order that it may deem reasonable;
- Grants the association the right to review and contest settlements, releases, compromises, waivers, and judgments;
- Modifies the duties and powers of the insurance commissioner to include examining or auditing the association;
- Modifies procedure for all proceedings in which the insolvent insurer, its policyholder, or the association is a party in court; and
- Requires the association to make all reasonable efforts to coordinate and cooperate with receivers in the most efficient and uniform manner.

SB 2054 standardizes the definition of *health benefit plan* as used in mandatory insurance coverage provisions throughout Oklahoma statutes making uniform the application of health insurance mandates to all health plans, including small employers. The measure specifies that health benefit plan does not include limited benefit plans such as dental or vision care, hospital confinement indemnity policy, or disability income insurance. The measure also specifies that treatment benefits for mental health or substance abuse disorders cannot be more restrictive than those applied to all other medical and surgical benefits under the plan to conform to federal changes for mental health parity.

The omnibus insurance reform bill also modifies a number of other provisions in the insurance code to streamline processes for insurers, providing reciprocity for health insurers and other industries under the regulation of the Insurance Department, including the following:

- Authorizes the insurance commissioner to require documents to be filed electronically with the department;
- Extends the amount of time agents, adjusters, administrators, and insurers have to respond to inquiries from the commissioner from 20 days to 30 days;
- Allows nonresident life or accident and health insurance brokers to be licensed in Oklahoma if they are licensed and in good standing in their home state and if the home state has a reciprocal agreement with Oklahoma;
- Requires all health benefit plans to cover mammography screenings and removes the current \$115 cap on this coverage;
- Applies the Medical Professional Liability Insurance Closed Claims Reports Act to all medical professional liability claims in Oklahoma, regardless of how claims are covered, and decreases the required reporting of closed claims from quarterly to annually;
- Authorizes Professional Employer Organizations (PEO) to use a qualified assurance organization approved by the commissioner to provide registration of the PEO or PEO Group;
- Creates an initial registration fee for PEO Groups of \$500 per member and a renewal fee of \$250 per member; and
- Repeals statute requiring copies of volunteer fire department ordinances to be filed with the commissioner.

A new law requires insurers to provide life insurance companies information relating to a person's policy if the insured has signed a form authorizing release of the information under **SB 2073** which amends the Oklahoma Producer Licensing Act. The insurance commissioner must develop the authorization form, which must comply with federal and state privacy laws.

The new provision will not apply to any policy sold or serviced by the life insurer while associated with the insurer's captive distribution system.

HB 2671 extends the age limit for those for whom benefit certificates may be issued through a mutual benefit association from 65 to 72 years of age. The measure also extends the age cap for graded membership certificates to be issued to persons not over 72 years of age, up from the current 65-year cap. The measure extends the age limit for those for whom mutual benefit insurance policies may be issued to 72 years of age, up from 55. The measure also authorizes a mutual benefit association not to report separately member assessment fees on death benefits, provided records are kept regarding collection and disbursement of the association's funds.

Two bills strengthen regulations regarding the pre-purchase of funeral services. Since the last monetary update occurred ten years ago, **HB 1458** increases the cap on the amount of principal a prepaid funeral services organization may receive from one person to \$20,000 from \$15,000. To adjust for future inflation, the measure increases the cap each year by a percentage equal to the previous year's increase in the national Consumer Price Index. Due to the insurance commissioner's regulation of prepaid funeral services organizations, the commissioner is required to determine the percentage increase by April 1 of each year.

Changes to laws regulating funeral and burial services are made in **SB 2042** which amends the Perpetual Care Fund Act by modifying the amount of funds that a cemetery must maintain in its Perpetual Care Fund from \$100,000, under current law, to an amount equal to or less than the standard insurance amount per depositor as provided by the Federal Deposit Insurance Corporation. The measure transfers regulation of records, the filing of contracts and reports, and all other matters for the orderly administration and implementation of the Perpetual Care Fund Act from the state banking commissioner to the insurance commissioner, including funds previously deposited in the Cemetery Merchandise Trust Act Revolving Fund. The measure also transfers administration and enforcement of the Cemetery Merchandise Trust Act from the state banking commissioner to the insurance commissioner. The measure authorizes the insurance commissioner to suspend or revoke a permit for those that violate the act.

HB 1613 extends confidentiality protections to work papers analyzed by the insurance commissioner or others for assessment of financial condition or market conduct of a company. Confidentiality is also extended to recorded information, documents, and any copies of such information used in Oklahoma Insurance Department examinations or actuarial opinion summaries. The privilege of confidentiality is not extended to identical or similar documentation that is not under control of the insurance commissioner

SB 2074 amends the Service Warranty Insurance Act by requiring that a service warranty insurance association obtain insurance from an insurer that is rated B++ or better by A.M. Best Company, Inc.

The Legislature also enacted measures affecting motor vehicle insurance. Procedures in the Unfair Claims Settlement Practices Act are amended in **HB 3213**. Under the bill, the insurance company, rather than the policyholder, may elect a cash settlement to purchase a comparable motor vehicle. The measure establishes that the cost of a comparable motor vehicle is when a vehicle is currently or recently available in the last 90 days in the local market area.

However, HB 3213 prohibits insurers from offering a cash settlement to a claimant to purchase a comparable replacement vehicle and reselling the motor vehicle, which has been determined to be a total loss, back to the claimant, if the insurer has determined repair of the wrecked vehicle would not result in restoration to operating condition. This prohibition may be lifted if the claimant submits understanding in writing that the vehicle will have a junked title.

The Compulsory Insurance Law was strengthened this session with the passage of **HB 2331** which requires law enforcement to verify insurance coverage during a traffic stop or accident investigation. If officers do not confirm coverage by online verification system or by security verification form provided by the operator, the officer must issue a citation for failure to comply with the Compulsory Insurance Law. Peace officers must seize the vehicle of any person operating a vehicle while under suspension for failure to carry insurance. A law enforcement officer may seize the vehicle of any person operating a vehicle without insurance if the operator does not produce a security verification form and the officer is unable to confirm compliance through the online verification system. Any vehicle displaying a valid temporary license plate is also exempt from being seized or towed.

Law Enforcement

The possession or use of weapons by certain law enforcement officials was the topic of several pieces of legislation. Assistant district attorneys are allowed to carry firearms for personal protection anywhere in the state after completion of a firearm training course approved by the Council on Law Enforcement Education and Training (CLEET) and upon approval of the district attorney under the provisions of **HB 2552**.

A second measure, **HB 2330**, allows officers, investigators, or agents of the Oklahoma Department of Human Services' Office of Inspector General and Oklahoma Child Support Services division to maintain possession of their sidearm and badge upon retirement. A final measure, **HB 2729** authorizes Office of Juvenile Affairs employees to use chemical agents or stun-guns for self defense.

The responsibilities of county sheriffs were modified by **HB 2277** to require that a CLEET-certified deputy sheriff accompany a reserve deputy sheriff in the performance of all duties assigned to the reserve deputy sheriff unless the reserve deputy has completed the required 160-hour basic police course. Previously the law required the sheriff accompany the reserve deputy.

SB 1997 creates the Marvin Williams and Robbie Chase Whitebird County Sheriff Assistance Act. The measure authorizes a corporation organized to represent the elected sheriffs of this state to provide any available support services and assist in coordinating county law enforcement resources when any sheriff of this state requests such assistance.

HB 3242 authorizes county sheriffs to enter into a contract to locate and notify persons of their outstanding failure-to-pay warrants. The measure also provides that any failure-to-pay warrants referred to a contractor include the addition of an administrative cost of 30 percent of the outstanding failure-to-pay warrant.

HB 3285 allows a county sheriff to sell strayed livestock to slaughter facilities. Under the existing law, a sheriff only had the option of selling the animal to the nearest livestock auction market.

SB 956 permits any commissioned peace officer of the state to seize any vehicle or conveyance, as well as any and all property used to facilitate or participate in the commission of any human trafficking offense or in any manner by a prostitute, pimp, or panderer to facilitate or participate in the commission of any prostitution offense. Vehicle, conveyance, or property does not include that of a customer or someone procuring services.

HB 2325 raises the minimum age for consideration as a commissioned officer within the highway patrol from 21 to 23 years of age and raises the maximum age limit for commissioned officers within the highway patrol from 43 to 46 years of age.

Law Enforcement

HB 2602 makes uniform the number of hours a part-time police officer may work by removing distinctions based on municipal populations.

SB 1313 authorizes CLEET to establish and host law enforcement youth camps at the CLEET statewide training facility.

SB 1812 modifies existing notification requirements as they relate to the disposition of unclaimed property worth in excess of \$100 by authorizing a police department to notify the owner by first-class mail of pending disposal of the property.

Law enforcement is required by **HB 2991** to tow any vehicle used in the commission of a felony offense. The agency must first obtain a search warrant authorizing search and seizure of the vehicle.

SB 1830 requires the Department of Human Services (DHS) to make a referral to law enforcement if it receives a report alleging abuse or neglect of a child who is in an Office of Juvenile Affairs (OJA) secure facility at the time of the alleged abuse in lieu of conducting its own investigation. The bill also directs the advocate general of both DHS and OJA to establish a system for investigating allegations of misconduct by a person responsible for a child in an OJA secure facility.

The Oklahoma State Bureau of Investigation is allowed by **HB 3294** to use otherwise confidential information from records for training and educational purposes if ten or more years have passed since the production of the information. The measure clarifies that the bureau may use otherwise confidential information from records of laboratory services provided to law enforcement, if the release of information has been authorized by the director of bureau, to obtain additional information in a criminal investigation conducted by the bureau.

License Plates

The Legislature created several new license plates this session.

HB 2686 creates an Eastern Red Cedar Tree License Plate and the Eastern Red Cedar revolving fund in the State Treasury for the ERC Registry Board.

HB 2918 authorizes the issuance of the following special license plates in recognition of service or awards:

- U.S. Air Force Academy Alumni License Plate;
- Operation Enduring Freedom Veteran License Plate;
- Oklahoma Blood Institute License Plate;
- Star Spencer High School License Plate;
- Northeast High School License Plate;
- Oklahoma City Central High School License Plate;
- Historic Greenwood District License Plate;
- Oklahoma Rifle Association License Plate;
- Oklahoma City Thunder License Plate;
- Buffalo Soldier License Plate;
- Prevent Blindness Oklahoma License Plate; and
- Oklahoma State Capitol Restoration License Plate.

SB 1917 creates two new plates: a special license plate for those wishing to support the Downed Bikers Association and an Armed Forces Veterans Motorcycle license plate for honorably discharged former members of the U.S. Armed Forces demonstrating support for the 45th Infantry Division.

Memorials and Dedications

The following measures provide designations honoring specific individuals, entities, or organizations:

HB 1006 designates:

- ***Billy B. Walkabout Memorial Highway*** - portion of Interstate 40 between junction of Interstate 35 and Interstate 40 and Eastern Avenue.

HB 2621 designates:

- ***Fern Holland Memorial Highway*** - portion of State Highway 25 from the junction of State Highway 25 and U.S. Highway 59 extending west to the Ottawa County line;
- ***Tommy Azlin Memorial Highway*** - portion of U.S. Highway 59 between Heavener and Hodgen;
- ***Joe Hemphill Memorial Bridge*** - bridge crossing Polk Creek on the Poteau Bypass;
- ***F.L. Holton Memorial Bridge*** - bridge crossing McMurtry Creek on the Poteau Bypass;
- ***State Representative Tim Pope Memorial Bridge*** - bridge on State Highway 4 crossing the Canadian River between Mustang and Tuttle; and
- ***USMC Cpl. Jeremy D. Allbaugh Memorial Highway*** - portion of State Highway 11 in Blackwell between I-35 and 13th Street.

HB 2696 designates:

- ***Master Sergeant Houston K. Blackburn Memorial Highway*** - portion of State Highway 7;
- ***PFC Lonnie D. Loyd, Jr. Memorial Highway*** - portion of State Highway 48;
- ***George Freas Memorial Bridge*** - bridge on State Highway 31;
- ***Fallen Heroes Memorial Bridge*** - bridge on E. State Highway 60;
- ***95th Division Memorial Highway*** - portion of Interstate 44;
- ***E.A. Woods Memorial Highway*** - portion of State Highway 46;
- ***Representative Opio Toure Memorial Highway*** - portion of Interstate 35;
- ***USMC Cpl. Jeremy D. Allbaugh Memorial Highway*** - portion of State Highway 11;
- ***James W. Summerlin Memorial Highway*** - portion of State Highway 88;
- ***Walter Merrick Memorial Highway*** - portion of State Highway 66;
- ***Ramond Mallouf Memorial Highway*** - portion of State Highway 152;
- ***Frank Drew Memorial Bridge*** - bridge on U.S. Highway 81 between Minco and Union City;
- ***Dr. D.P. Richardson, M.D. Memorial Highway*** - portion of U.S. Highway 81; and
- ***E.F. (Doc) Coker Bridge*** - bridge on State Highway 63, crossing Ti Creek.

HB 2882 designates:

- ***Tribal Elder Parrish Williams Memorial Highway*** - portion of State Highway 177 from White Eagle Road extending south to Eagles Nest Road;

Memorials and Dedications

- ***Martin Luther King, Jr. Memorial Highway*** - portion of U.S. Highway 77 from the junction of U.S. Highway 77 and South Avenue in Ponca City extending south to the junction of U.S. Highway 77 and East Harding Road; and
- ***Marcus Eugene Mills Memorial Bridge*** - bridge on State Highway 3E approximately one and one-half miles south of Bowlegs.

SB 1394 designates:

- ***U.S. Navy Captain Steven L. Farley Memorial Interchange*** - interchange on U.S. Highway 77 crossing Memorial Road in Oklahoma County.

SB 1635 designates:

- ***Don Bowser Memorial Highway*** - State Highway 76 from 10th Street in Blanchard south to U.S. Highway 62.

SB 1636 designates:

- ***Don R. Dunn Memorial Highway*** - portion of State Highway 81 in Chickasha from Choctaw Avenue to Grand Avenue.

SB 1713 designates:

- ***Corporal Michael Eyre Thompson Memorial Highway*** - portion of U.S. Highway 70 from the Bryan/Marshall county line extending west to the intersection of U.S. Highway 377 within the City of Madill limits;
- ***Sergeant Clint E. Williams Memorial Highway*** - portion of U.S. Highway 377 from the City of Madill limits south to the Oklahoma State line;
- ***Chief Warrant Officer Brady Rudolf Memorial Highway*** - portion of U.S. Highway 70 from the Bryan/Marshall county line east to the City of Durant limits; and
- ***Three Hero Highway: Honoring and In Memory of District Attorney Mitchell D. Sperry, Sherriff Harvey Burkhart and Representative Terry Hyman*** - portion of Scenic 77/County Line Road in Carter County from the junction of Scenic 77/County Line Road and State Highway 77 extending east to the junction of Scenic 77/County Line Road and State Highway 77S.

SB 1785 designates:

- ***Officer Larry W. Cantrell and Mr. Charles L. Cantrell Memorial Highway*** - portion of State Highway 66 in Sapulpa from the intersection of 96th Street to 100th Street.

SB 2137 designates:

- ***Veterans Memorial Highway*** - portion of State Highway 62 beginning and ending with the city limits of Blanchard.

Motor Vehicles

The Legislature examined several ways to increase the safety of persons using Oklahoma's highway system. Measures were enacted to attempt to eliminate the number of uninsured motor vehicles operating on roadways, improve awareness of motorcycle safety, and reduce the occurrence of distracted driving.

The Legislature enacted measures affecting motor vehicle insurance. The Compulsory Insurance Law was strengthened this session with the passage of **HB 2331** which requires law enforcement to verify insurance coverage during a traffic stop or accident investigation. If officers do not confirm coverage by online verification system or by security verification form provided by the operator, the officer must issue a citation for failure to comply with the Compulsory Insurance Law. Peace officers must seize the vehicle of any person operating a vehicle while under suspension for failure to carry insurance. A law enforcement officer may seize the vehicle of any person who is operating a vehicle without insurance if the operator does not produce a security verification form and the officer is unable to confirm compliance through the online verification system. Any vehicle displaying a valid temporary license plate is also exempt from being seized or towed.

Procedures in the Unfair Claims Settlement Practices Act are amended in **HB 3213**. Under the bill, the insurance company, rather than the policyholder, may elect a cash settlement to purchase a comparable motor vehicle. The measure establishes that the cost of a comparable motor vehicle is when a vehicle is currently or recently available in the last 90 days in the local market area.

However, HB 3213 prohibits insurers from offering a cash settlement to a claimant to purchase a comparable replacement vehicle and reselling the motor vehicle, which has been determined to be a total loss, back to the claimant, if the insurer has determined repair of the wrecked vehicle would not result in restoration to operating condition. This prohibition may be lifted if the claimant submits understanding in writing that the vehicle will have a junked title.

Definitions in the Oklahoma Vehicle License and Registration Act are updated by **HB 2883** to include definitions relating to powersports vehicle and powersports vehicle dealer. *Powersports vehicles* are motorcycles, scooters, mopeds, all-terrain, and utility vehicles. The measure also provides an exception for dealers who are principally agricultural or farm implement dealers but also sell powersports vehicles.

HB 2359 extends the 50 cent portion of the motor vehicle late registration penalties for apportionment to the General Revenue Fund through FY-2011. Beginning in FY-2012, the amount will be deposited in the State Highway Construction and Maintenance Fund.

To modernize vehicle registration renewal notices, **SB 1397** amends the Oklahoma Vehicle License and Registration Act. The measure requires the tax commission to send its required annual notifications for vehicle registration renewal to the e-mail address provided by the

Motor Vehicles

taxpayer. If an e-mail address is not provided, the tax commission is required to notify the taxpayer by mail. The measure also adds lienholder information to the list of information required to be listed on a vehicle inquiry screen printout.

The tax commission is also required to provide information on its public website instructing persons on the procedure for obtaining an annual notification via e-mail free of charge. The information must outline all charges and fees associated with the registration of a vehicle, as well as an explanation of the apportionment of vehicle fees and penalties.

In similar fashion, **SB 1398** amends the Oklahoma Vessel and Motor Registration Act for registration renewal for boats and other watercraft. The measure authorizes the tax commission to send its required annual renewal notifications for vessel or motor registration by e-mail. The measure allows taxpayers to opt out of the e-mail notification system; however, persons who choose to receive annual notification through the mail will be assessed an annual fee of 50 cents to cover the cost of printing and mailing renewal notifications. A fee exemption is provided for members of the U.S. Armed Forces, the Reserve Corps of the U.S. Armed Forces, and the Oklahoma National Guard and their spouses.

The tax commission is also required to provide instructions on its public website regarding the procedure for obtaining an annual notification by e-mail free of charge. The information must outline all charges and fees associated with the registration of vessels and motors and an explanation of the apportionment of vessel and motor registration fees and penalties.

SB 1816 provides an exemption from delinquent motor vehicle registration fees for any Oklahoma resident who is a member of the U.S. Armed Forces, Reserve Corps of the U.S. Armed Forces, or the Oklahoma National Guard stationed outside of the state due to official assignment with the Armed Forces. The exemption applies to the individual and his or her spouse for the duration of official assignment and for a period of 60 days after the assignment ends. The exemption is only granted upon submission of specified documentation.

Motorcycles and motorcycle safety also received attention this year. The Legislature has for several years looked for ways to adequately fund motorcycle safety programs offered by the state. **HB 2264** requires the collection of a \$3 fee as a prerequisite to licensing or registration of any motorcycle. The fee is to be transferred to the Department of Public Safety for deposit in the Motorcycle Safety and Education Program Revolving Fund to fund programs offered to riders. According to the Department of Public Safety, the new fee will increase revenue to the Motorcycle Safety and Education Program Revolving Fund by \$345,000 to \$348,000 annually.

HB 2958 exempts trucks loaded with hay from securing the load to prevent items from falling off the truck. The measure also provides a definition of *split tandem axle* as used in the size and weights statutes.

HB 2625 allows the operator of a vehicle transporting horses or livestock, providing the person was not hired to transport the livestock and the vehicle displays a sign stating "NOT FOR HIRE," to be exempt from the requirement of having a certificate listing the owner and other information.

Professions and Occupations

Each year, the Legislature refines and adds to statutes regulating various professions and occupations. This session the Legislature looked at diverse occupations such as roofing contractors, locksmiths, and accountants.

After numerous incidents of fraud and roofing scams in Oklahoma, the Legislature passed **SB 2180** which creates the Roofing Contractor Registration Act, including the following provisions:

- Prohibits a person from engaging in the business of or acting in the capacity of a roofing contractor without valid registration;
- Designates the Construction Industries Board (CIB) as registrar and authorizes the board to employ necessary personnel, procure supplies and equipment, and promulgate rules to implement the act;
- Provides requirements for roofing contractor applicants and grounds for disqualification including carrying liability insurance of at least \$500,000 and workers' compensation coverage;
- Requires the CIB to determine within 25 days of receiving an application for a roofing contractor registration certificate that it will be approved and to notify the applicant in writing if the application is deficient or refused;
- Requires the CIB to notify the contractors if they have allegedly violated the act and prohibit the contractors from entering new projects;
- Creates an initial roofing contractor certificate registration and renewal fee of \$300 annually;
- Provides for a complaint procedure; and
- Requires roofing contractors to display registration numbers.

With the passage of the measure, Oklahoma joined several other states requiring registration for roofing contractors as shown in the map.



To protect major property owners, builders, and contractors, **SB 1012** requires property owners to specify in writing the frequency and time period for payments to be made to prime contractors for private construction projects. The measure also allows for privately negotiated contracts and

requires prime contractors to clearly establish the contractor's payment terms for subcontractors. The measure provides for suspension and resumption of work for delinquent payments and subsequent compliance. The new law will not apply to construction of a single residence, duplex, tri-plex, or four-plex family dwelling. *Prime contractor* means any entity that has a direct contract with an owner to perform work under a construction contract.

SB 1765 provides that it is the duty of the person contracting with an installer who is modifying or installing on-site sewage treatment systems for a residence or business to certify the number of bedrooms in the residence or the water usage of the business that will be served by the sewage treatment system so that the system can be properly sized.

SB 1369 modifies existing exemptions relating to the requirement that contractors demonstrate proof of general liability insurance and workers' compensation insurance prior to issuance of a municipal building permit. Under current law, this requirement does not apply to persons performing construction or remodeling to their own single-family or duplex structures. This measure expands this exemption to apply regardless if the construction or remodeling is to a single family or duplex structure that is also used for rental purposes.

After cabin rental owners were cited by the Real Estate Commission for practicing without real estate licenses, the Legislature enacted **HB 2305** which makes it unnecessary for any person managing a transient lodging facility to have a real estate license. A *transient lodging facility* is defined as a furnished room or set of rooms rented on a daily basis for not more than 30 days that is not the renter's principal residence.

The Legislature enacted the Oklahoma Appraisal Management Company Regulation Act to protect lenders, financial institutions, clients, consumers, and the public. **HB 2772** creates a process for real estate appraisal management company (AMC) registration and regulation for those entities engaging in real estate appraisal management services in Oklahoma. The act includes the following provisions:

- Requires registration of AMCs;
- Authorizes the Oklahoma Real Estate Appraiser Board to establish fees for administration of the act, with fees capped at the lesser of an amount sufficient for administration or \$2,000 each;
- Requires credentialing for real estate appraisers to contract with AMCs;
- Requires AMCs to maintain certain records for five years;
- Regulates what fees an AMC may charge or process;
- Prohibits employees of AMCs from influencing appraisals through coercion or other means;
- Prohibits alteration of appraisals;
- Provides an administrative review process for denial of AMC registration and disciplinary hearings; and
- Provides penalties for violations of the act; administrative fines are capped at \$5,000 per violation.

To update the Alarm and Locksmith Industry Act, **HB 2320** modifies the definition of *lock* to include electrical devices consisting entirely of Class 2 or Class 3 circuits as established by the

National Electrical Code (NEC) and expands the definition of *locksmith industry* to include the sale, rekeying, or repinning of locks. According to the NEC, *Class 2 and 3 circuits* are defined as the portion of the wiring system between the power source and the connected equipment. Under HB 2320, licensure is not required for the sale of lock systems designed for user installation; an exemption for such installation of alarm systems currently exists. The measure specifies that individuals performing work on any electrical circuits other than Class 2 or Class 3 circuits must be properly licensed as the act requires.

SB 1871 expands powers of the State Board of Licensure for Professional Engineers and Land Surveyors. It authorizes the board to acquire and maintain, use, and operate real property; contract for the maintenance of real property and improvements; and lease or sublease such property to public or private entities or persons. The measure exempts the act or practice of *material takeoff*, defined as providing a list of material from interpreting a set of blueprints or plans, from the requirements of being a licensed engineer. The measure also prohibits liability for property owners or an owner's agent or a lumber yard or building material center when determining cost estimates for materials in construction projects. These entities will not be deemed as practicing a profession or trade requiring a license in Oklahoma.

Affecting numerous professions under the jurisdiction of the Oklahoma Department of Consumer Credit, **HB 2831** expands the authority of the Commission on Consumer Credit by repealing current fees for licenses, exams, and investigations established in statute and authorizes the Commission on Consumer Credit to establish such fees through administrative rule. The measure also creates the Consumer Credit Advisory Committee, with nine members to be appointed by the commission based on recommendations of industry groups representing regulatory aspects of the department, and the administrator of the Department of Consumer Credit to serve as chair of the committee. The measure authorizes the committee to review fees, make recommendations regarding fees, and adopt rules for its proceedings. The committee is required to meet at least once a year and is subject to the Oklahoma Open Meeting Act.

The measure authorizes the commission to establish exam and license fees for professions in the Uniform Credit Code, Credit Services Organization Act, Oklahoma Pawnshop Act, Precious Metal and Gem Dealer Licensing Act, Oklahoma Rental-Purchase Act, Oklahoma Health Spa Act, Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, and the Deferred Deposit Lending Act. No fee prescribed after July 1, 2011, will be in effect unless approved by the Legislature; however, it is important to note that the commission will set by emergency rule initial fees established prior to that date.

HB 2831 caps increases of examination and investigation fees to not more than \$200 every three years and annual license fee increases at no more than \$100 every three years. HB 2831 repeals fees for those required to file notification with the Department of Consumer Credit and adds new language to treat such entities as a licensee, and therefore subject to licensing fees.

The measure also requires the administrator to appoint an independent hearing examiner to conduct administrative hearings for alleged violations of the various acts under the department's jurisdiction. The independent hearing examiner is authorized to make proposed findings and orders to the administrator, pursuant to the Administrative Procedures Act.

Finally, HB 2831 renames the Oklahoma Deferred Deposit Lending Regulatory Revolving Fund the Consumer Credit Counseling Fund and requires the fund to consist of fees from deferred deposit lenders for consumer credit counseling services. The measure authorizes 10 percent of deferred deposit lender fees be transferred to the department's revolving fund for expenses incurred in administration of the consumer credit counseling program.

Amending provisions in the Oklahoma Accountancy Act, **HB 3190** modifies definitions as used in the act by adding a definition for *preissuance review* to mean a review performed according to set procedures. The Oklahoma Accountancy Board must have one member who is either a permitted public accountant (PA) or a person with professional or practical experience in the use of accounting services and financial matters and who qualifies for examination as a PA.

HB 3190 requires the cost of a national criminal history records search to be paid by the CPA or PA applicant. The measure also requires CPA and PA applicants to make application for their certificate within five years of notification they have passed all sections of the CPA or PA exam, as applicable. The measure also authorizes the Oklahoma Accountancy Board to require an entity applying for reinstatement of a certificate or license to submit to a national criminal history records search, with the cost to be borne by the applicant. PA firms in any state are authorized to apply for a permit to practice accounting in Oklahoma.

An omnibus insurance reform bill, **SB 2054**, modifies a number of provisions in the insurance code and other industries under the regulation of the Oklahoma Insurance Department, including the following:

- Authorizes the insurance commissioner to require documents to be filed electronically with the department;
- Extends the amount of time agents, adjusters, administrators, and insurers have to respond to inquiries from the commissioner from 20 days to 30 days;
- Allows nonresident life or accident and health insurance brokers to be licensed in Oklahoma if they are licensed and in good standing in their home state and if the home state has a reciprocal agreement with Oklahoma;
- Applies the Medical Professional Liability Insurance Closed Claims Reports Act to all medical professional liability claims in Oklahoma, regardless of how claims are covered, and decreases the required reporting of closed claims from quarterly to annually;
- Creates a \$25 duplicate pocket license fee for bail bondsmen;
- Expands circumstances the commissioner may refuse to renew a bondsman license to include failure to file outstanding monthly bail reports, pay outstanding fines, pay monthly renewal fees, or respond to a commissioner order;
- Increases the civil penalties for violations of bail bondsman provisions from a minimum fine of \$100 to \$250 and from a maximum fine of \$1,000 to \$2,500;
- Requires Oklahoma County judges to enforce orders for violations to the portions of state statutes referring to bail bondsmen;
- Requires bondsmen accepting mortgages as collateral to file a copy of the mortgage with the bond within 30 days of receipt of the mortgage. The commissioner may extend or waive this new requirement; and
- Repeals statute requiring copies of volunteer fire department ordinances to be filed with the commissioner.

HB 3343 increases fees for original and renewal licenses for private investigators, armed private investigators, unarmed security guards, armed security guards, security agencies, and investigative agencies. The license period is increased from two years to three years for security guards and private investigators. The measure increases the fee for the issuance of a duplicate license and creates the Council on Law Enforcement Education and Training Private Security Revolving Fund.

HB 3202 provides for the certification of teeth floating practitioners by the State Board of Veterinary Medical Examiners. The annual certification fee is \$200. *Teeth floating* is defined as removal of enamel points and smoothing, contouring, and leveling of dental arcades and incisors of equine and other farm animals.

A teeth floater must complete at least 80 hours in equine dentistry at the Texas Institute of Equine Dentistry, the Academy of Equine Dentistry, or other similar program, or be certified as an equine dental technician by the International Association of Equine Dentistry or its equivalent to receive Oklahoma certification. The person must also complete four hours of continuing education each year for the renewal of the person's certification.

When prescription drugs are used in teeth floating, the horse's owner must contact a veterinarian licensed by the state. If the veterinarian determines that prescription drugs are needed, the veterinarian may assemble them and allow the owner or owner's agent, who can be a teeth floater, to pick up the drugs and deliver them to the owner. No prescription drugs may be prescribed, dispensed, or administered without the establishment of a valid client-patient relationship between the horse owner and the veterinarian.

Numerous measures were enacted this session dealing with medical occupations. **HB 2551** reduces the renewal application fee for an emergency medical technician from \$10 to \$2.50 and establishes an application fee of \$10 and a renewal application fee of \$5 for registered emergency medical responders. The bill also stipulates that beneficiaries of emergency medical responders killed in the line of duty qualify for a death benefit that will be exempt from state income taxes.

Legislators reached a resolution to the debate over Certified Registered Nurse Anesthetists (CRNA) practicing various forms of pain management. **SB 479** restricts the practice of interventional pain management to licensed physicians and prohibits a CRNA from operating a freestanding pain management facility without direct supervision of a qualified physician. CRNAs may continue to administer epidural steroid injections and peripheral nerve blocks under the supervision of a physician.

To recognize national certification standards, **HB 2678** amends the Orthotics and Prosthetics Practice Act by requiring applicants for a license to practice orthotics or prosthetics to demonstrate certification by the Board for Orthotist/Prosthetist Certification (BOC), the American Board for Certification in Orthotics, Prosthetics, and Pedorthics (ABC), or meet current statutory qualifications.

Professions and Occupations

HB 2593 authorizes the Board of Dentistry to inspect a dental laboratory before issuing a permit for its operation and provides that no permit is required for a dental lab operated by a dentist to fabricate prostheses for the dentist's own practice.

SB 2051 prohibits a dental plan of a health benefit plan from dictating the fee a dentist may charge a patient for a procedure the plan does not cover.

SB 1985 requires an interpreting or supervising physician practicing under provisions of the Oklahoma Sleep Diagnostic Testing Regulation Act to be certified by the American Osteopathic Association.

SB 1311 provides that volunteer licenses for physicians, physician assistants, nurses, dentists, optometrist, or pharmacists be issued by the applicable licensure board.

HB 1658 gives liability protection to doctors who provide voluntary medical services at a secondary school function. This protection extends to damages that are a result of any acts or omissions and not acts of gross negligence or willful or wanton negligence.

In other measures related to professions and occupations:

- **HB 1611** requires workers' compensation insurance claims adjusters to be licensed under the Insurance Adjusters Licensing Act and to complete six hours of continuing education related to the Workers' Compensation Act, as part of the required 24 hours of continuing education.
- **SB 2038** modifies the requirements for certified shorthand reporters to include a minimum level of court reporting proficiency with verification through a school, passing a preliminary proficiency exam, or proof the applicant was previously licensed by another state or national group. The measure also removes the qualification to be an Oklahoma resident to enroll as a court reporter without examination, provided the person has an equivalent license or certificate.
- **HB 2624** amends the definitions used in the Repurchase of Inventory – Manufacturers, Distributors, and Wholesalers chapter by adding a definition for a *single line dealer* to mean a business that has purchased at least 75 percent of the dealer's total new inventory from a single supplier and has an annual average sales volume for the previous three years that exceeds \$20 million for the dealer's entire territory.
- **SB 1872** requires plans and specifications for projects submitted to the Construction Industries Board for review be submitted with a review fee for the project.
- **SB 573** amends the Fair Pay for Construction Act by reducing the amount that may be retained from a construction contract or subcontract payment to 5 percent of the payment due from the current 10 percent.
- **SB 1040** prohibits insurance claims adjusters, reviewers, or consultants from being appointed to the Board of Chiropractic Examiners.

- **SB 1275** would allow taxidermists to sell unclaimed specimens left in their possession for more than six months.
- **HB 2791** amends the Oklahoma Agricultural Linked Deposit Program by capping the loan amount at \$250,000 for persons establishing a veterinary practice in which 30 percent of the services is for large animals. Prior to this legislation no cap existed.
- **HB 3203** repeals the state's Livestock Dealers Act.
- **SB 1771** clarifies that nothing in the Therapeutic Recreation Practice Act will be construed to prevent an individual providing services in a state facility or to children in state custody.
- **HB 2992** requires that county bid notices state the manner of payment to be made to a contractor and whether the contractor will be paid in cash, in bonds, or in a proportion of cash and bonds.

Property

The Legislature enacted numerous measures to protect property interests this session. Issues such as the protection of landowner rights, the landlord and tenant act, and annexation procedures received attention.

SB 1787 restricts the permanent severing of the airspace over any real property located in the state for the purpose of developing and operating commercial wind or solar energy conversion systems. Leasing arrangements for the development of wind or solar energy conversion systems may only be made with the legally authorized owner of the surface estate. The measure defines a wind or solar energy agreement and provides that agreements are required to remain with the land and may only terminate upon the conditions stated in the agreement.

SB 1615 creates the Oil and Gas Owners' Lien Act of 2010. The measure provides that to secure the obligations of a first purchaser to pay the sales price, each interest owner is granted an oil and gas lien to the extent of the owner's interest in oil and gas rights. An oil and gas lien is to take priority over any other lien except for a permitted lien.

SB 2063 amends civil procedure statutes as they relate to the appraisal of property. The measure requires the court clerk to collect from the party seeking an appraisal all fees necessary for the payment to the appraiser for their services. The court clerk must pay the appraiser within 30 days of the date that the appraiser returns the estimate of the real value of the property.

HB 1319 sets certain requirements for a person who claims an interest in a severed mineral interest in real estate after the death of the owner to acquire a valid marketable title through a recorded affidavit of death and heirship. This affidavit is restricted to situations where the owner died without a will or the will was never probated in Oklahoma. This may be claimed at any time after the owner's death, and there is a rebuttable presumption that the facts of the affidavit are true as it relates to the severed mineral interest, death of decedent, the relationships, and family history and heirship.

HB 3021 expands the duties of landlords under the Oklahoma Residential Landlord and Tenant Act by requiring landlords notify prospective tenants if a rental unit or any part of the premises was used in the production of methamphetamine. The landlord is not required to notify prospective tenants regarding the manufacture of methamphetamine on the premises if the landlord has assessed the level of contamination and determines that the level of contamination does not exceed 1/10 of one microgram per 100 square centimeters of surface material within the dwelling unit.

SB 1864 provides that the prevailing party in an annexation dispute be entitled to court costs and reasonable attorney fees, including, but not limited to, when a municipality withdraws, revokes, or otherwise reverses the ordinance at issue in response to litigation before issuance of a final judgment. The bill also adds language stating that those annexed parcels of land 40 acres or more used for agricultural purposes prior to annexation and that have continued in uninterrupted

agricultural use will be exempt from ordinances restricting land use and building construction to the extent such land use or construction is related to agricultural purposes.

SB 2154 modifies language related to actions to enforce a mortgage, deed of trust, or other lien or charge.

SB 2270 states that to accept real estate pursuant to a transfer on death deed, a grantee beneficiary will execute a notarized affidavit affirming:

- The death of the owner;
- Whether the record owner and the designated beneficiary were married at the time of the record owner's death; and
- A legal description of the real estate.

If the grantee beneficiary was not the record owner's spouse, the beneficiary must attach a copy of the record owner's death certificate and an estate tax release to the beneficiary affidavit and record these documents with the office of the county clerk where the real estate is located.

Two measures were enacted modifying the notification process for unclaimed property. **SB 1812** modifies existing notification requirements as they relate to the disposition of unclaimed property by authorizing a police department to notify the owner by first-class mail of unclaimed property worth in excess of \$100 of pending disposal. In addition, **HB 2989** modifies notification requirements for unclaimed property by allowing notifications sent by municipal governments to property owners to be sent by first-class mail. Notifications were previously required to be sent by certified mail.

HB 2935 requires the county treasurer to include in notices for delinquent taxes and notices for resale of real estate the last record owner as of the preceding December 31 or later according to records from the county assessor. The measure also requires records to be updated based on real property conveyed after October 1 of each year. **HB 2935** also requires the county treasurer's office to mail a notice to the last record owner.

Public Health

The Legislature enacted a wide variety of public health-related measures, including those addressing smoking in restaurants and on college campuses, and took steps to ensure the stability of emergency medical services across the state and to attract physicians to locations in the state that are medically underserved.

The Legislature took steps to encourage restaurants in Oklahoma to go completely smoke free by passing **HB 2774**. The measure establishes the Clean Air In Restaurants Act and authorizes the Oklahoma State Department of Health (OSDH) to implement a rebate program to reimburse restaurant owners for expenses they incurred in constructing a smoking room prior to November 1, 2010, provided the restaurant converts to a completely smoke free environment no later than January 1, 2013. The rebate would be equal to 50 percent of the original cost of constructing the smoking room minus depreciation costs. The bill also directs the OSDH to establish a program for the voluntary certification of communities and schools that promote wellness, encourage the adoption of healthy behaviors, and establish safe and appropriate environments.

HB 2748 clarifies that all buildings owned by educational institutions can be designated as smoke free and allows higher education institutions to declare campuses tobacco free, including smokeless tobacco, and to set regulations. Educational institutions and higher education institutions will be able to enforce penalties for violations.

HB 2777 directs the Oklahoma Health Care Authority (OHCA) to verify the income of an applicant for the Insure Oklahoma program using Oklahoma Tax Commission records, Oklahoma Employment Security Commission new hire report data, and child support payment data collected by the Department of Human Services.

HB 3231 directs the OHCA to provide training on the standards by which error rates in the billing of Medicaid services are calculated and requires that the error rate be based on clearly defined objective documentation standards. In addition, the measure requires that errors suspected to be fraudulent be reported to the attorney general and that recoupment of overpayments due to nonfraudulent errors can begin only after the provider has had the opportunity to appeal the finding.

HB 1888 is aimed at developing and preserving emergency medical services across the state, particularly in rural areas. The measure requires, by April 1, 2011, each county with a population of 500,000 people or less submit an emergency medical services plan to the Oklahoma State Department of Health. The Emergency Response Systems Development Advisory Council of the health department and each county emergency services advisory board will develop the plan to address funding issues, ensure countywide emergency medical service coverage, and to address county boundaries to ensure 911 operators can provide a quick response. The measure also requires ambulance service providers within a licensed area to act regardless of the patient's ability to pay.

To improve the quality of life in rural communities in Oklahoma by ensuring access to basic medical care, **HB 1043** creates the Oklahoma Medical Loan Repayment Program. Contingent upon available funding, the bill provides educational loan repayment assistance to primary care physicians who agree to practice in an Oklahoma community approved by the Physician Manpower Training Commission. Up to six physicians will receive \$25,000 per year for five years. To be eligible, physicians must be licensed to practice medicine in Oklahoma, be newly graduated from medical school, and be practicing medicine. Preference will be given to graduates of the Oklahoma State University College of Osteopathic Medicine and the University of Oklahoma College of Medicine.

HB 2999 makes the operation of certain mental health and substance abuse treatment facilities by the Department of Mental Health and Substance Abuse Services permissive rather than mandatory and directs the Board of Mental Health and Substance Abuse Services and the Oklahoma Health Care Authority to continue until June 30, 2013, to purchase treatment services provided by certified alcohol and drug counselors on a fee for service basis provided counselors are employed by an entity under contract with either agency. Finally, the bill adds municipal employees to the list of persons required to report that a vulnerable adult may be the victim of abuse, neglect, or exploitation.

SB 1311 provides that volunteer licenses for physicians, physician assistants, nurses, dentists, optometrists, or pharmacists be issued by the applicable licensure board.

SB 1373 approves the creation of a public trust named the Oklahoma Health Information Exchange Trust (OHIET) of which the state is the beneficiary. The OHIET will serve as the state's qualified state-designated entity to receive any grants awarded to facilitate and expand the electronic use of health information and to develop electronic health information exchanges at the state level.

SB 1817 modifies the type of prophylactic ophthalmic agent to be administered to a newborn's eyes and provides that a parent may refuse such treatment.

SB 1250 prohibits unauthorized storage, transfer, use, or databasing of DNA from a newborn child without parental consent.

HB 2920 creates the Shaken Baby Prevention Education Initiative Task Force to identify models for reducing incidents of abusive head trauma in infants and develop a plan for implementing the model statewide.

SB 673 clarifies that the term *public bathing place* does not include spray pads or spray grounds.

SB 1819 provides that any person who is 16 years of age may donate blood with parental consent.

SB 2095 authorizes the state veterinarian, upon permission of the State Board of Agriculture, to issue emergency orders governing animals to protect people and animals from diseases and pests of animals. Emergency orders may include the following:

- Prohibiting importation of animals;
- Requiring testing of animals;
- Requiring vaccination of animals; and
- Prohibiting moving of animals within the state.

The measure requires emergency orders to expire on the date established in the order or within 90 days, though the state veterinarian may renew the order for successive 90-day periods.

SB 1295 specifies that one of the members of the Oklahoma Emergency Response Systems Development Advisory Council be a specialist in pediatric services.

SB 1325 updates the name of the Oklahoma Advance Directives Act on the *Do Not Resuscitate* form.

SB 1699 exempts applications for special volunteer health care licenses from the statutory requirement that every agency or political subdivision of the state verify the lawful presence in the United States of any person 14 or older who applies for public benefits.

HB 3171 specifies that death certificates are to be filed with the State Department of Health, rather than a local registrar and directs that, no later than July 1, 2012, personal data required for the death certificate that is obtained by the funeral director be entered electronically into a system provided by the state registrar of vital statistics. The bill also requires the death certificate produced by the electronic system to be available to the physician or medical examiner for certification within 24 hours after the death and provides that the department give access to the electronic system at no cost.

Abortion

HB 3075 requires facilities that perform non-life-threatening abortions to post a sign outside stating:

Notice: It is against the law for anyone, regardless of his or her relationship to you, to force you to have an abortion. By law, we cannot perform, induce, prescribe for, or provide you with the means for an abortion unless we have your freely given and voluntary consent. It is against the law to perform, induce, prescribe for, or provide you with the means for an abortion against your will. You have the right to contact any local or state law enforcement agency to receive protection from any actual or threatened physical abuse or violence.

For those facilities that fail to post the sign there is an administrative fine of \$10,000, with each day the facility fails to place the sign being a separate violation. Damages may be recovered by an individual injured by the failure to post the sign.

Finally, HB 3075 requires an attendant physician to inform minors who wish to have abortions that they cannot be forced into having an abortion and that only through their consent can abortions be performed. Patients must state in writing that doctors informed them of their options.

SB 1890 bans abortions performed based solely on the sex of the child.

SB 1902 makes it illegal for a person to provide or administer RU-486 to induce an abortion unless the person is a physician who has the ability to:

- Assess a pregnancy's duration accurately;
- Diagnose an ectopic pregnancy;
- Provide surgical intervention in the event of severe bleeding either themselves or through other qualified physicians; and
- Assure patient access to medical facilities equipped to provide blood transfusions and resuscitation.

SB 1902 also requires a physician providing RU-486 to induce an abortion to explain the procedure to the patient, provide the patient with the drug manufacturer's medication guide, and record the drug manufacturer's package serial number in the patient's medical record. RU-486 must be administered by or in the same room as the physician who prescribed it, and the physician must make a reasonable effort to ensure a follow-up appointment after the drug has been given. Should any adverse reaction result within one year of RU-486's administration, the physician must provide a written report of such incident within 60 days of learning of it. Failure to do so will subject the physician to sanctioning by the relevant licensing board.

Finally, SB 1902 allows for punitive damages as a legal recourse for violations.

HB 2780 requires an obstetric ultrasound at least one hour prior to an abortion. The physician must provide an explanation of the ultrasound depiction, including a medical description of the embryo or fetus, and the image is required to be visible for viewing by the pregnant woman. It is not required that the pregnant woman actually view these images; however, it is required that the woman provide written certification that the above measures have been taken.

In the event an abortion is due to a medical emergency, the provider of the abortion must keep written certification of the medical condition on file for at least seven years. If the woman is a minor, the file must be kept for at least seven years or at least five years after the minor reaches 18 years of age, whichever is greater.

HB 2780 also states that an abortion provider who violates the above language is liable for damages, and an injunction may be ordered to prevent the provider from performing future abortions in violation of this act. Fines for violation of the injunction range from \$10,000 for the first, to more than \$100,000 for any violation after the third. The woman may file a civil suit for actual and punitive damages against the provider for violation of this act.

The license to provide health care services will be revoked by the State Board of Medical Licensure and Supervision or the State Board of Osteopathic Examiners for an abortion provider who violates the language of this bill. The governor vetoed the bill, but the Legislature overrode the veto.

HB 3284 requires physicians who perform abortions to report certain information to the Department of Health and also directs the department to publish on its website reporting forms and state statutes and regulations related to abortion and to notify physicians of requirements to

report abortion-related information. The measure directs the department to publish annual abortion reports on its website. The governor vetoed the measure, but the Legislature overrode the veto.

HB 2656 states that in a wrongful life action or a wrongful birth action, no damages may be recovered for any condition that existed at the time of a child's birth if the claim is that the defendant's act or omission contributed to the mother's not having obtained an abortion.

The above language will not preclude causes of action based on claims that, but for a wrongful act or omission, maternal death or injury would not have occurred, or handicap, disease, or disability of an individual prior to birth would have been prevented, cured, or ameliorated in a manner that preserved the health and life of the affected individual. The governor vetoed the bill, but the Legislature overrode the veto.

Public Safety and Corrections

Public Safety

Numerous measures were enacted this session to improve the safety of the motoring public. Uninsured motorists are a continuing threat to the driving public. The Legislature enacted several laws designed to reduce the number of motorists operating without insurance.

The Compulsory Insurance Law was strengthened this session with the passage of **HB 2331** which requires law enforcement to verify insurance coverage during a traffic stop or accident investigation. If officers do not confirm coverage by online verification system or by security verification form provided by the operator, the officer must issue a citation for failure to comply with the Compulsory Insurance Law. Peace officers are required to seize the vehicle of any person who is operating a vehicle while under suspension for failure to carry insurance as required by the Compulsory Insurance Law. A law enforcement officer may seize the vehicle of any person who is operating a vehicle without insurance if the operator does not produce a security verification form and the officer is unable to confirm compliance through the online verification system. Any vehicle displaying a valid temporary license plate is also exempt from being seized or towed.

HB 2746 clarifies that the Department of Public Safety (DPS) immediately revoke for one year the driving privileges of any person convicted of a misdemeanor for unlawful possession or delivery of a controlled dangerous substance if the offense occurs while using a motor vehicle.

SB 2007 modifies the notice requirement made to DPS by the courts regarding the suspension of driving privileges for persons 20 years of age or younger. The measure allows DPS to extend period of suspension under certain circumstances. Additionally, the bill allows second and third suspensions for driving while impaired to be modified.

In other measures relating to driver licenses, **SB 1264** allows an applicant for a driver license or identification card to use a mailing address, such as a rural route or post office box, as the address required on the driver license or identification card. Another measure, **SB 1779** allows applicants for a driver license or identification card to provide DPS with emergency contact information. A final measure, **SB 2229** authorizes the override of the requirement for finger imaging in cases where the person is over 65 years of age and the finger image cannot be scanned. The licensing agent must be able to verify the individual's identity with alternative identification. The ability to determine who approved the override must also be available.

Several measures were adopted impacting the use of cell phones or other hand-held devices and distracted driving. **SB 1908** prohibits persons who have a learner's permit or intermediate Class D license from using a hand-held device while driving. The bill also restricts persons with a learner's permit to driving only between 5 a.m. and 10 p.m. Another measure, **HB 2276**, allows a law enforcement officer to issue a citation for distracted driving if the officer observes an operator of a vehicle driving in a manner that poses a danger to other persons on the roadway. A

related bill, **HB 2957**, prohibits public transit drivers from using a cellular phone or electronic communication device to write, send, or read a text-based communication while the vehicle is in motion.

HB 2625 allows operators of a vehicle transporting horses or livestock, providing the person was not hired to transport the livestock and the vehicle displays a sign stating “NOT FOR HIRE,” to be exempt from the requirement of having a certificate listing the owner and other information for such transport per load size and weight regulations.

The Legislature also strengthened laws against domestic violence with the passage of **SB 2022** which authorizes the court to allow victims of domestic violence, stalking, harassment, sexual assault, or forcible sodomy to monitor the location of the defendant who has been ordered to use a Global Positioning System (GPS) monitoring device. Monitoring by the victim is limited to computer or cellular inquires or computer or cellular generated signals to determine if the offender is within a specified distance of certain locations. Courts are required to conduct an annual review of victim monitoring to determine if the monitoring is still necessary.

The Motorcycle Mobility and Safety Act is created by **SB 1329** to allow the operator of a motorcycle facing a steady red signal to proceed through the intersection under certain conditions. A similar measure, **HB 2322** creates the Casey Lewis Act which requires the driver of a vehicle intending to turn left to yield the right-of-way to any vehicle approaching from the opposite direction.

Motorcycles and motorcycle safety also received attention this year. The Legislature has for several years looked for ways to adequately fund motorcycle safety programs offered by the state. **HB 2264** requires the collection of a \$3 fee as a prerequisite to licensing or registration of any motorcycle. The fee is to be transferred to the Department of Public Safety for deposit in the Motorcycle Safety and Education Program Revolving Fund to fund programs offered to riders. According to the Department of Public Safety, the new fee will increase revenue to the Motorcycle Safety and Education Program Revolving Fund by \$345,000 to \$348,000 annually.

SB 1670 modifies the membership of the Motorcycle Safety and Education Advisory Committee by requiring the Commissioner of Public Safety to appoint three members who are licensed and safety course certified operators or owners.

HB 2958 exempts trucks loaded with hay from securing the load to prevent items from falling off the truck. The measure also provides a definition of *split tandem axle* as used in the size and weights statutes.

The responsibilities of county sheriffs were modified by **HB 2277** to require that a deputy sheriff certified by the Council on Law Enforcement Education and Training accompany a reserve deputy sheriff in the performance of all duties assigned to the reserve deputy sheriff unless the reserve deputy has completed the required 160-hour basic police course. Previously the law required the sheriff accompany the reserve deputy.

SB 956 permits any commissioned peace officer of the state to seize any vehicle or conveyance, as well as any and all property used:

- To facilitate or participate in the commission of any human trafficking offense; or
- In any manner by a prostitute, pimp, or panderer to facilitate or participate in the commission of any prostitution offense. Vehicle, conveyance, or property does not include that of a customer or someone procuring services.

SB 956 adds several definitions to the statute governing human trafficking: *coercion*, *commercial sex*, *debt bondage*, *legal process*, and *minor*. It also amends by adding more specificity to the definitions of *human trafficking for labor* and *human trafficking for commercial sex*. This bill also increases from 14 years of age to 18, the age under which the victim must be in order for those guilty of human trafficking to merit a stronger penalty. Finally, the bill states the statute of limitations for these crimes will not commence until either the emancipation of the victim from the defendant or the twenty-first birthday of the victim, whichever is later.

HB 2964 consolidates victims rights laws found in other parts of the Oklahoma Statutes into the Victims' Rights Act.

HB 2983 adds crimes related to financial transactions and wire transfers to the Oklahoma Antiterrorism Act and changes the name of the Oklahoma Corrupt Organizations Prevention Act to the Oklahoma Racketeer-Influenced and Corrupt Organizations Act.

SB 1879 requires a nursing facility to make every effort to preserve the scene of a suspected rape or criminal act until local law enforcement has arrived.

SB 1928 provides clarifying language for the felony offense of a juvenile or youthful offender convicted of escape from a juvenile detention center. This crime is punishable by imprisonment for not less than one year or no more than seven years.

SB 2054 modifies a number of provisions relating to the bail bondsmen profession. These changes include:

- Creating a \$25 duplicate pocket license fee for bail bondsmen;
- Expanding circumstances the commissioner may refuse to renew a bondsman license to include failure to file outstanding monthly bail reports, pay outstanding fines, pay monthly reviewal fees, or respond to a commissioner order;
- Increasing the civil penalties for violations of bail bondsman provisions from a minimum fine of \$100 to \$250 and from a maximum fine of \$1,000 to \$2,500;
- Requiring Oklahoma County judges to enforce orders for violations to the portions of state statutes referring to bail bondsmen; and
- Requiring bondsmen accepting mortgages as collateral to file a copy of the mortgage with the bond within 30 days of receipt of the mortgage. The commissioner may extend or waive this new requirement.

Highway patrol and other law enforcement officers employed by the Department of Public Safety are allowed by **SB 1810** to engage in part-time employment for the duration of any furlough period imposed by the commissioner of public safety.

Drugs

Adding new drugs to the list of controlled substances was the subject of **HB 3241** which designates the following drugs as Schedule I drugs:

- A compound sold as ecstasy and referred to on the street as Molly; and
- Compounds known on the street as K2-Spice or K2 smoke blend.

Schedule I includes substances that have a high potential for abuse, have no accepted medical use in the United States, or lack accepted safety for use in treatment under medical supervision.

An increase in the number of methadone-related deaths led to passage of **HB 3251**. The measure requires anyone who is registered with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control (OBNDD) to dispense, prescribe, or administer any controlled dangerous substance to check the prescription profile of a patient on the central repository of the bureau prior to prescribing or administering methadone to a patient.

HB 2529 requires the OBNDD to compile a yearly report of all fatal and non-fatal drug overdoses which were the result, or probable result, of abuse of a controlled dangerous substance and the method by which the substance was obtained, if available. Information collected will not be a public record. Finally, the bill adds the Oklahoma Health Care Authority to the list of entities that have access to information collected by the bureau and considered part of its central repository.

Sex Offenders

HB 2934 mandates that a court require a sex offender to register any e-mail addresses or online identities. The bill requires the Department of Corrections (DOC) to collect e-mail address information, including online identity names that a registered sex offender uses while accessing the Internet. This information must also be on the form used for registration by the local law enforcement authority. HB 2934 also requires DOC to release upon request of any Internet entity any information that would enable the entity to prescreen or remove sex offenders from its services or advise law enforcement of potential violations of the law or threat to public safety. DOC must update monthly any information released to ensure that the information of every individual removed from the sex offender registry is no longer released. DOC is charged with promulgating any rules necessary to implement these provisions and may charge the Internet entity a fee for access to the sex offender information. The Internet entity may not publish, disclose, or redisclose any information provided to it by DOC except for the purposes of these provisions. *Internet entity* is defined as one providing service which permits persons under 18 years of age to access, meet, congregate, or communicate with other users for the purpose of social networking. It does not include general e-mail services.

HB 2968 amends the Sex Offenders Registration Act by adding that a mappable address and zip code must accompany the registration of where the offender is currently residing. The bill also adds “property or camp site used by an organization whose primary purpose is working with children” to places where a registered sex offender may not reside within a 2000-foot radius.

SB 2064 enlarges the zone of safety created around schools, child care centers, playgrounds, and parks, prohibiting the loitering of a sex offender from 300 feet to 500 feet. It further clarifies that permitted child care centers are also included in the zone of safety. Finally, SB 2064 requires a person exempted from the above language as it relates to schools and child care facilities to inform the administrator of those entities of that person's registered sex offender status and provide current information about the specific times the person will be within the zone of safety.

SB 2231 prohibits people who must register with the Sex Offender Registration Act from using a post office box for a home address. Those already registered who have provided post office boxes as an address must be contacted by local law enforcement and required to provide a physical address.

Fire Safety

HB 2695 provides that assisted living facilities licensed for six or fewer residents prior to July 1, 2008, are exempt from meeting more stringent fire sprinkler requirements if the sprinklers installed meet the approval of municipal fire marshals or comply with local codes.

HB 3210 modifies existing law by providing that a burn ban resolution passed by a board of county commissioners be effective for no longer than 30 days from the date of passage. A burn ban resolution had previously been effective for a period of only up to seven days from the date of passage. The measure expressly states that the selling of fireworks will not be considered an act in violation of a declared burn ban.

SB 2253 authorizes wholesalers to sell fireworks year round. The measure requires those making application for a permit to display fireworks to have a general liability insurance policy of at least \$1 million and requires the application for permit be in writing and submitted ten days prior to display date. The measure also modifies the definition of *fireworks* and authorizes novelties to be stored, transported, and sold to the public. Finally, the bill makes certain retail facilities subject to the National Fire Protection Association (NFPA) regulations.

Miscellaneous Public Safety

HB 2837 revises how crime stoppers organizations are certified. Currently, crime stoppers organizations are certified by the attorney general. HB 2837 authorizes the Oklahoma Crime Stoppers Association to certify organizations.

SB 1387 clarifies that a motor vehicle accident can result in a personal injury to another without the requirement that the accident involve another vehicle.

Oklahoma Tax Commission is required by **SB 1954** to allow customers who use online renewal for their motor vehicle tags to select a tag agent to provide the service. The online system must include a step where the individual must select between any motor license agent in the state and the commission to process any registration renewal or other request. This step must be installed and operational no later than September 1, 2010. In addition, motor license agents will receive all fees, less \$1.56 per fee, provided by statute for registration renewals or other requests

processed by the motor license agent through any online system administered by the commission.

Class AA wreckers are included as vehicles authorized to display flashing red or blue lights by **HB 2969**. The measure also requires a wrecker or towing service that repossesses a vehicle to notify law enforcement within two hours of repossessing the vehicle providing information regarding the vehicle repossessed, where the repossession occurred, the name of the owner of the vehicle, and the name of the lien holder of the vehicle.

HB 2959 authorizes property owners to hire a licensed wrecker or towing service from an adjacent county to remove an abandoned vehicle, provided that the property owner is unable to hire a licensed wrecker or towing service within the county of residence in a reasonable amount of time. Prior to enactment, people had to use a licensed wrecker or towing service located within the county to remove abandoned vehicles from property located in that county. A property owner can hire a licensed wrecker or towing service to remove a vehicle the property owner has reasonable cause to believe has been abandoned, provided the vehicle has been abandoned for a period of 48 hours or left on the property without express or implied permission.

To clarify the assessment of 911 emergency wireless telephone fees for prepaid cellular phone consumers, the Legislature enacted **HB 2556**, amending the 911 Wireless Emergency Number Act. The measure modifies the definition of *place of primary use* to be within the licensed service area of the home service provider and to coincide with federal law and adds a definition for *prepaid wireless telecommunications service* as used in the act. New language exempts prepaid wireless customers from the 50 cent 911 emergency wireless telephone fee, instead creating a 50 cent fee per retail transaction. The measure outlines procedures for collection, remittance, and allocation of the new fee on prepaid wireless consumers. The measure also requires the Oklahoma Tax Commission to report to legislative leaders a listing of the itemized one-time costs authorized to implement the 911 Wireless Emergency Number Act.

SB 2239 requires fingerprints submitted for application for a carry concealed license to meet the Oklahoma State Bureau of Investigation's (OSBI) Automated Fingerprint Identification System standards. The measure also requires OSBI to issue a carry concealed permit within 60 days of receipt of application when a background check reveals no records pertaining to the applicant. In all other cases, the OSBI must either issue or deny the application within 90 days of receipt.

SB 2199 allows boards of education to request from the State Board of Education a national criminal history record check of any employee of the school. The prospective employee will pay for the search, but school districts may reimburse them.

SB 1883 clarifies the authority of the Department of Public Safety and other appointed peace officers to enforce laws concerning licensed wreckers and tow truck operators.

HB 2579 requires the director of the Department of Emergency Management to report quarterly to the governor, speaker of the House of Representatives, and president pro tempore of the Senate the balance and outstanding obligations of the State Emergency Fund.

Corrections

Recognizing the need to provide programmatic assistance to break the cycle of incarceration led the Legislature to enact **HB 2998**. The bill authorizes the Department of Corrections to implement a pilot program to provide diversion programs to reduce the high rate of incarceration for nonviolent offenders who are also the primary caregivers of minor children and to provide reentry services for inmates with minor children. The pilot program will develop partnerships within communities to provide support services and employment opportunities and a diversion program that provides comprehensive services and treatment to offenders with children. The pilot program will be funded with a \$200,000 donation from the George Kaiser Family Foundation, provided the state matches the donation, to give the program a first year budget of \$400,000.

Providing policymakers with more information on reintegration was also the subject of **SB 2259** which requires the director of the Department of Corrections to post on the department's website and transmit to the president pro tempore of the Senate, the speaker of the House of Representatives, and the governor a report on the use of work release programs, work centers, community corrections centers, intermediate sanctions facilities, halfway houses, and transitional living centers to reintegrate offenders.

Retirement

The Legislature passed several bills dealing with public employee retirement. Those directly impacted by the legislation include teachers, police officers, firefighters, and state and county employees.

Three bills made changes to the Oklahoma Teachers' Retirement System. **HB 1935** allows a member of the Oklahoma Teachers' Retirement System who chose the maximum retirement benefit plan at the time of retirement to make a one-time election to change benefit options and to name the member's spouse as the beneficiary if the member marries after making the initial benefit choice. Such an election must be made by July 1, 2011, or within one year of the date of marriage, whichever is later. The measure also allows a member who retires after the effective date of this act and has selected a retirement allowance for a reduced amount to make a one-time irrevocable election to select a different option within 60 days of the retirement date. The beneficiary designated by the member at the time of retirement will not be changed if the member later makes the change provided for in the measure.

Beneficiaries may assign death benefits to a licensed funeral director or business providing funeral services for a deceased member of the Oklahoma Teachers' Retirement System. The death benefit is \$18,000 for an active member and \$5,000 for a retired member. **HB 1935** removes the right of a member teaching past the age of 70 to make up the 5 percent contributions plus interest for the years taught past 70. It also removes the right of the beneficiary to take benefits of a member who chose a reduced retirement payment for life but died within 25 years from the commencement of retirement payments.

HB 1935 merges duplicate versions of the same section of law passed in **SB 1662** and **SB 859** this session.

For county employees, **HB 2655** repeals existing law providing service credit toward a county retirement, of up to four years for a vested county employee who serves as an elected city or state official.

HB 3128 allows death benefits of a retired state employee, paid by the Oklahoma Public Employees Retirement System, to be assigned by the beneficiary to a person licensed as a funeral director or to a lawfully recognized business entity to provide funeral services for the deceased member.

SB 1989 amends statutes related to the Oklahoma Police Pension and Retirement System and the Oklahoma Law Enforcement Retirement System to keep the systems compliant with requirements of the Internal Revenue Code. Similarly, **SB 2130** updates statutes related to the Oklahoma Firefighters Pension and Retirement System to keep the system compliant with requirements of the Internal Revenue Code.

Revenue and Taxation

With the state's revenue shortfall, the Legislature made a number of changes in the tax code, including a moratorium on various tax credits, assessments on intangible personal property, and collection of ad valorem taxes.

Procedure

To address an issue with a court ruling in *Southwestern Bell Telephone Company LP SWBT vs. Oklahoma State Board of Equalization*, on September 29, 2009, (Case No. 105905, 2009 OK 72) regarding collection of taxes on intangible personal property, the Legislature enacted **SJR 61**. *Intangible personal property* is defined by the Internal Revenue Service as goodwill; workforce in place; business books and records, operating systems, or any other information base, including lists or other information concerning current or prospective customers; a patent, copyright, or similar item; a customer-based intangible; a supplier-based intangible; a license, permit, or other right guaranteed by a governmental agency; a noncompete agreement; any franchise, trademark, or trade name; and a contract for the use of, or a term of interest in, any item in this list. In the Oklahoma Supreme Court ruling, a reference states local assessment does not treat the taxation of intangibles differently than central assessment, thus implying that local counties should have been assessing intangible personal property, although the assets have never been assessed for local properties previously. The initiation of such assessments could result in millions of new tax dollars to counties.

To prevent a not previously assessed tax being imposed on Oklahoma businesses, SJR 61 imposes a moratorium on the franchise tax and adds a tax in lieu of ad valorem taxes on intangible personal property for all businesses in Oklahoma, except for public service corporations, air carriers, and railroads. The measure creates the Oklahoma Business Activity Tax Code, which will expire on December 31, 2012, unless made permanent by a future Legislature. The purpose of the act is to create a revenue-neutral mechanism to provide a fair and simplified taxation of businesses and individuals in Oklahoma while maintaining revenue levels for the state. The new taxes will be collected as franchise taxes are collected now and will be deposited in the General Revenue Fund. The tax on each business in Oklahoma will be an annual tax of \$25 and a tax equal to 1 percent of the net revenue received from business activity allocated to Oklahoma.

The measure also requires that taxes due from businesses or others subject to the franchise tax be equal to the amount paid for tax year 2010. This tax will be in lieu of all other taxes imposed by the state, counties, cities, or other political subdivisions on intangible personal property. The measure also creates the task force on Comprehensive Tax Reform to recommend amendments to the Business Activity Tax Code, to review taxes imposed on businesses and individuals in Oklahoma, and to develop recommendations and proposed legislation to provide simplification and fairness in Oklahoma's tax structure. The task force will be composed of 21 members, including legislators, relevant agency directors, and public citizens representing major Oklahoma

industries. The task force is required to submit a final report to the governor, president pro tempore of the Senate, and speaker of the House of Representatives by January 1, 2012.

An omnibus taxation bill, **HB 2359**, includes new procedure for enforcement of tax collection, a decrease in vendor discounts, an increase in annual coin-operated device permits, and motor vehicle registration penalty and tobacco license amendments.

To enforce the collection of sales and use tax, HB 2359 requires out-of-state retailers and vendors making sales of tangible personal property to provide notification on their retail Internet website, in catalogs, and on invoices provided to customers that use tax must be paid by the purchaser, unless otherwise exempt, on the storage and use of the property in Oklahoma. This requirement also applies to online auction websites. The Oklahoma Tax Commission is required to define the term *online auction website* through rule promulgation.

The measure also requires individuals who prepare individual state income tax returns to advise clients of their responsibility to remit use taxes through the use tax remittance line on individual income tax returns or by filing a consumer use tax return. The tax commission is authorized to refer accounts to debt collection agencies if sales tax permit holders fail to file two or more consecutive sales tax returns. The tax commission is required under HB 2359 to coordinate with city and county governments to increase state and local sales and use tax collections through joint enforcement efforts. The measure also requires municipalities to enter into an agreement with the tax commission for the assessment and collection of taxes levied by the municipality. Prior to this change, cities and towns were authorized, but not required, to enter into these agreements.

The measure decreases the vendor discount for maintaining sales tax records and remitting taxes due from 2.25 percent to 1 percent and caps the discount at \$2,500. The current deduction is limited to a maximum of \$3,300. The measure increases the annual fee for coin-operated device decals as follows:

- \$150 for coin-operated music or amusement devices, an increase from \$50; and
- \$150 for coin-operated vending machines for items costing 25 cents or more, an increase from \$50.

HB 2359 extends the 50 cent portion of the motor vehicle late registration penalties for apportionment to the General Revenue Fund through FY-2011. For subsequent fiscal years, the amount will be deposited in the State Highway Construction and Maintenance Fund.

The measure authorizes tobacco dealers to possess both retail and wholesalers licenses.

HB 3166 amends Uniform Tax Procedure Code by requiring the Oklahoma Tax Commission to deduct from an individual's tax refund any claim amount and collection expenses due a state agency or municipal or district court upon receipt of a claim from a government entity. The tax commission is required to transfer the amount to the appropriate entity.

Notice requirements for notifying a debtor of pending collection from a state agency or municipal or district court must now include notice that a claim has been filed with the tax

commission for any portion of tax refund due to the debtor or municipal court defendant which would satisfy the debt, unpaid municipal fines, and costs. The notice is also required to state that the tax commission has deducted from the refund and remitted it to such agency or municipal or district court. Any amounts held by the municipal court, district court, or state agency in excess of a final determination of debt and collection expense must be refunded to the taxpayer.

HB 3166 also creates a sales tax exemption for sales of gold, silver, platinum, palladium, or other bullion items such as coins, bars, and legal tender of any nation. The sales tax exemption does not include fabricated metals produced for artistic use or jewelry. To qualify for the exemption, items must be stored at a recognized *depository facility*, which does not include financial institutions such as banks, savings banks, or savings and loan associations.

SB 1321 imposes a misdemeanor offense and additional fine, of not more than \$500, for any second or subsequent violation for a vendor who fails to grant the sales tax exemption for disabled veterans. The tax commission is required to refer any vendor who has willfully or intentionally refused to honor the exemption multiple times to the district attorney for prosecution.

Vendor is modified to include any individual responsible for supervising the conduct of any employee who intentionally refuses to honor the exemption. The measure requires any written communication between the commission and any vendor where the commission is attempting to enforce the law must be public and that no presumption of confidentiality will exist for such communications.

SB 1396 adds a provision for adjustment of taxable income for corporations and adjusted gross income for individuals, beginning for tax year 2010, to add to the Oklahoma taxable income or adjusted gross income an amount equal to the amount of deferred income not included on the federal income tax return due to the enactment of the federal American Recovery and Reinvestment Act of 2009. The measure also subtracts from state taxable income or adjusted gross income an amount equal to the deferred income that is included on the federal income tax return.

HB 2333 requires the Oklahoma Lottery Commission to withhold the amount of delinquent debt as directed by the Oklahoma Employment Security Commission (OESC) from lottery winnings of an individual. The measure requires OESC to develop procedures for notifying the lottery commission in a timely manner for required debt withholding. The new law establishes a priority for withholdings of lottery winnings, if debt exceeds winnings, as follows:

1. State and federal income tax;
2. Department of Human Services, child support payments;
3. Oklahoma Tax Commission debt; and
4. OESC debt.

Definitions were updated in the Oklahoma Vehicle License and Registration Act by **HB 2883** to include definitions relating to powersports vehicle and powersports vehicle dealer. *Powersports vehicles* are motorcycles, scooters, mopeds, all-terrain, and utility vehicles. The measure also

provides an exception for dealers who are principally agricultural or farm implement dealers but also sell powersports vehicles.

SB 1895 makes changes to state statute to reflect the recent elimination of the state's estate tax and creates a new law stating that for deaths on or after January 1, 2010, no lien related to the estate tax will attach to any property passing through the estate of a decedent, by joint tenancy, or otherwise. No order exempting estate tax liability will be necessary to authorize the release of such property or for the title of real property to be marketable. This language will not be interpreted as relieving an estate from lien obligations in effect for deaths occurring before January 1, 2010.

SB 1900 requires any municipal or county employee authorized to issue building permits to provide applicants a list of state taxes that may be assessed against any state or out-of-state taxpayer who applies for a building permit. Upon the request for a permit, the designated municipal or county employee is required to request proof of registration with the Oklahoma Tax Commission under their Oklahoma Business Registration System. If the applicant does not provide proof of registration, employees are required to issue the permit and then advise the tax commission that the entity may not be registered.

The measure also provides that the tax commission may maintain, as part of its online business registration system, the capability for an applicant to obtain a document electronically which may serve as proof of registration under the system. These requirements do not apply to building permits issued for new construction or remodeling projects less than \$50,000.

SB 1759 adds stimulus fund expenditures to the Taxpayer Transparency Act, requiring the name and principal location of the entity and recipients of funds, the amount of funds expended, the funding or expending agency, and the descriptive purpose of the funding to be posted as soon as practicable. The bill also requires the state auditor and inspector to maintain a searchable website that provides public access to documentation showing how federal stimulus funding has been spent.

HB 2300 creates a state income and corporate tax check-off provision for Oklahoma Honor Flights, allowing for donations to the program to begin in tax year 2011, and creates the Oklahoma Honor Flights Revolving Fund, to be administered by the Oklahoma Department of Veteran Affairs. The Oklahoma Honor Flights program provides transportation for Oklahoma veterans to Washington, D.C., so they may visit the national memorials dedicated to their service. **HB 2710** creates a state income and corporate tax check-off provision for the Multiple Sclerosis Society, allowing for a donation up to \$25, beginning tax year 2010. The measure also creates the Multiple Sclerosis Society Revolving Fund to be administered by the State Department of Health.

SB 1882 extends the current three-tiered gross production tax rates from expiring on June 30, 2010, to expire June 30, 2013. The measure also extends the gross production tax exemptions for economically at-risk oil and gas wells for the next three calendar years, 2011 through 2013.

To modernize vehicle registration renewal notices, **SB 1397** amends the Oklahoma Vehicle License and Registration Act by requiring the Oklahoma Tax Commission to send its required

annual notifications for vehicle registration renewal to the e-mail address provided by the taxpayer. The tax commission is also required to provide information on its public website instructing persons on the procedure for obtaining an annual notification via e-mail free of charge. In similar fashion, **SB 1398** amends the Oklahoma Vessel and Motor Registration Act for registration renewal for boats and other watercraft. The measure allows taxpayers to opt out of the e-mail notification system; however, persons who choose to receive annual notification through the mail will be assessed an annual fee of 50 cents to cover the cost of printing and mailing renewal notifications. A fee exemption is provided for members of the U.S. Armed Forces, the Reserve Corps of the U.S. Armed Forces, and the Oklahoma National Guard and their spouses.

SB 1816 provides an exemption from delinquent motor vehicle registration fees for any Oklahoma resident who is a member of the U.S. Armed Forces, Reserve Corps of the U.S. Armed Forces, or the Oklahoma National Guard stationed outside of the state due to official assignment with the Armed Forces. The exemption applies to the individual and his or her spouse for the duration of official assignment and for a period of 60 days after the assignment ends. The exemption is only granted upon submission of specified documentation.

To clarify the assessment of 911 emergency wireless telephone fees for prepaid cellular phone consumers, the Legislature enacted **HB 2556** to exempt prepaid wireless customers from the 50 cent 911 emergency wireless telephone fee, instead creating a 50 cent fee per retail transaction. The measure also requires the Oklahoma Tax Commission to report to legislative leaders a listing of the itemized one-time costs authorized to implement the 911 Wireless Emergency Number Act.

HB 2432 amends the payment of Gross Production Tax rebates for horizontally drilled and deep wells spudded and drilled to a depth exceeding 15,000 feet by requiring that refund claims for the production periods within the fiscal years ending June 30, 2010, and June 30, 2011, be filed and received by the Oklahoma Tax Commission no later than December 31, 2011.

The measure also reduces the tax rate for horizontally drilled wells to a rate of 1 percent for 48 months from the month of initial production for production commenced on or after July 1, 2011, and prior to July 1, 2015.

Refund claims for the production periods beginning on or after July 1, 2009, and ending on or before June 30, 2011, are to be paid in equal payments over 36 months. The tax commission is required to provide the operator or designated interest owner a schedule of rebates to be paid over the 36 month period beginning after July 1, 2012, but prior to August 1, 2012. In addition, the measure provides that the tax commission be assessed a 9 percent penalty interest rate to accrue each day that a required payment is not made by the end of the month for which payment is required.

Tax Credits

HB 3422 requires the Oklahoma Tax Commission to prepare and maintain a list of all taxpayers who have claimed any tax credit authorized by any provisions of state law and related to a tax administered by the tax commission. This list includes all taxpayers or organizations having any

part in the chain of custody or claim to the credit at any time during the credit’s existence from the initial time the credit is earned, through the time that the credit is claimed on a tax return. The Office of State Finance must make the list available online. The list must include the name of each taxpayer who claimed a credit, the amount of the credit, and the specific statutory provision under which the credit was claimed. The list must be updated at least monthly.

Due to the national economy affecting Oklahoma tax collections, the Legislature made an effort to rein in the use of various tax credits through several measures. The Legislature created a new tax credit for those who make donations to a cancer research institute beginning in 2011. **SB 1919** limits taxpayers to claiming only one credit for a donation to any independent biomedical research institute and one credit for a donation to a cancer research institute.

The tax credit limitation for donations to cancer research institutions are as follows:

- The formula to be used for the percentage adjusted is 50 percent times \$1 million divided by the credits claimed in the preceding year for each donation to an independent biomedical research institute and 50 percent times \$1 million divided by the credits claimed in the preceding year for each donation to a cancer research institute;
- No taxpayer can claim more than \$50,000 in total tax credits for donations to a cancer research institute for tax year 2011;
- No more than 50 percent of the total \$2 million in tax credits can be allocated for tax credits for donations to a cancer research institute for future tax years;
- If tax credits exceed more than \$1 million in a calendar year for either type of institute, the Oklahoma Tax Commission can permit any excess over \$1 million but must factor the excess into the percentage adjustment formula for subsequent years; and
- Any adjustment for donations to one type of institute will not affect the formula for donations to the other institute.

To help balance the FY-2011 budget, **SB 1267** establishes a two-year moratorium on an assortment of specified tax credits. The moratorium will be in effect from July 1, 2010, through June 30, 2012. The following table summarizes the tax credits that fall under the moratorium.

CITATION	TAX CREDIT DESCRIPTION
27A O.S. 2-11-303	One-time tax credit for hazardous waste recycling or control, not to exceed 20% of investment, not more than \$50,000 for 3 consecutive tax years
68 O.S. 2357	Income tax credit for gas used in manufacturing
68 O.S. 2357.4	Income tax credit for investment in property or new jobs, 5-year credit on greater of 1% per year of minimum property investment of \$50,000 or \$500 per new employee *
68 O.S. 2357.6	Income tax credit for contributions to the Energy Assistance Conservation Fund, for 50% of contribution amount
68 O.S. 2357.11	Tax credit for purchase of Oklahoma-mined coal
68 O.S. 2357.25	Income tax credit for agricultural producers' investments in Oklahoma agricultural commodities
68 O.S. 2357.26	Income tax credit for employers providing child care services
68 O.S. 2357.27	Income tax credit for expenses incurred by child care providers
68 O.S. 2357.30	Income tax credit for U.S. Small Business Administration guaranty fee
68 O.S. 2357.32A	Income tax credit for production and sale of electricity generated by Oklahoma zero-emission facilities *

68 O.S. 2357.32B	Tax credit for manufacturers of advanced small wind turbines
68 O.S. 2357.33	Income tax credit for food service establishment employees' Hepatitis A immunizations
68 O.S. 2357.41	Tax credit for qualified rehabilitation expenditures for historic structures *
68 O.S. 2357.46	Tax credit for contractors' expenses in construction of energy efficient homes (2,000 sq ft or less), \$4,000 for property certified at 40% above Int'l Energy Conservation Code or \$2,000 for 20-39%
68 O.S. 2357.47	Income tax credit for restricted duty wages and modification expenses paid for an injured employee
68 O.S. 2357.59	Tax credit for new qualified recycling facility, up to 15% of investment cost
68 O.S. 2357.66	Tax credit for qualified ethanol facility
68 O.S. 2357.67	Income tax credit for qualified biodiesel facility
68 O.S. 2357.81	Income tax credit for 100% of ad valorem taxes for new or expanding development in an Enterprise Zone
68 O.S. 2357.100	Income tax credit for purchase and transport of poultry litter, \$10 per ton up to \$375,000 each year
68 O.S. 2357.101	Income tax credit equal to 25% of profit from investment in film or music project
68 O.S. 2357.102	Income tax credit for purchase of dry fire hydrant, equal to 50% of cost not to exceed \$5,000
68 O.S. 2357.104	Income tax credit for railroad reconstruction or replacement, equal to 50% of cost not to exceed \$2,000
68 O.S. 2357.203	Income tax credit for breeding specially trained canines, equal to 50% of direct costs
68 O.S. 2357.302	Income tax credit for tuition reimbursement for qualified employee in aerospace sector, 50% tuition for first 4 years of employment
68 O.S. 2357.303	Income tax credit for compensation of qualified employee in aerospace sector, not to exceed \$12,500 per employee per year
68 O.S. 2357.304	Income tax credit for qualified employee in aerospace sector, up to \$5,000 per year not to exceed 5 years
68 O.S. 2370	Tax credit for loans made under the Rural Economic Development Loan Act
68 O.S. 2370.3	Tax credit for bank or credit union origination fees for "Stafford" loan guaranty program for Oklahoma residents
68 O.S. 54006	Income tax credit for FTE increase in computer services, data processing or research and development, with salaries of \$35,000 or more

* The moratorium on these tax credits are amended in HB 3024 and postponed for two years.

HB 2519 extends the credit for coal mined in Oklahoma for two years after a two-year moratorium spelled out in SB 1267 has expired.

Another part of the FY-2011 budget agreement, **SB 1590** addresses qualified small business capital companies and qualified rural small business capital companies by allowing income tax credits issued for those entities from January 1, 1998, until the June 1, 2010, to be authorized if the qualified capital company has invested in one or more Oklahoma business ventures. The measure prohibits these credits after June 1, 2010.

HB 3024 amends tax credits for investments made in electric motor vehicle property to be limited to two years for credits accrued from July 1, 2010, through June 30, 2012. The credit is limited to 50 percent of the accrued credit. The measure specifies that investments made in hydrogen fuel cell equipment are only eligible for tax year 2010.

The measure creates a definition for qualifying *electric motor vehicles* and authorizes a one-time income tax credit to electric motor vehicle manufacturers for electric, medium-speed, and low-speed electric motor vehicles manufactured after June 30, 2010. The manufacturer credits for such vehicles are as follows:

- \$2,000 per-vehicle-manufactured credit for electric motor vehicles;
- \$1,000 per-vehicle-manufactured credit for medium-speed electric motor vehicles; and
- \$500 per-vehicle-manufactured credit for low-speed electric motor vehicles.

The income tax credit for electric motor vehicle manufacturers may be carried forward against subsequent income tax liability for up to five years. The measure also authorizes the tax commission to promulgate rules for administration of the credits.

HB 3024 also adjusts the moratorium imposed on certain tax credits in SB 1267. The measure postpones claims for income tax credits for investment in property or new jobs, income tax credits for the production and sale of electricity generated by Oklahoma-based zero-emission facilities, and tax credits for qualified rehabilitation expenditures for historic structures for two years.

Seniors

Legislators passed several measures designed to improve nursing facilities, retirement communities, and insurance terms. In an ongoing effort to heighten standards and improve the quality of care for individuals in nursing facilities, **HB 2778** requires the Oklahoma Health Care Authority (OHCA) to make refinements to the incentive reimbursement plan for nursing facilities, including establishing minimum standards using evidence-based criteria and using the state survey results as a threshold for determining if a facility qualifies to receive an enhanced payment. Another measure, **SB 1289**, expands the list of persons who cannot be hired by long-term care facilities, adult day centers, and home health agencies to include persons who have pled guilty or no contest to, or received a deferred sentence for, certain violent offenses, pandering, grand larceny or petit larceny, or shoplifting within the past seven years.

Two measures focus on alternatives to nursing facility care. **HB 2828** directs the OHCA to annually conduct a Home-Based Support Quality Assurance Assessment on each community-based service provider contracting with the state to provide services to developmentally disabled and elderly persons in their own homes through a Home and Community-Based Waiver or the Advantage Waiver. The measure directs that funds collected through the assessment be used by the OHCA to reimburse Medicaid-contracted service providers. **HB 2596** requires the OHCA to include through the cash and counseling program, which is an alternative to long-term care, a monthly budget based on consumers' needs to obtain personal care services and make necessary home modifications.

To help prevent cost increases for certain independent living facilities, **HB 2530** expands the list of elevators that are exempt from inspections required under the Elevator Safety Act to include elevators that are in an existing two-story building owned by a municipal public trust that is used solely for independent living apartments for those at least 62 years of age.

HB 2695 exempts assisted living facilities licensed for six or fewer residents prior to July 1, 2008, from meeting more stringent fire sprinkler requirements if the sprinklers installed meet the approval of municipal fire marshals or comply with local codes.

To distinguish Oklahoma communities that may be attractive destinations for retirees, **SB 1640** creates the Certified Retirement Communities Program Act. The measure establishes application requirements to become a certified retirement community that include demographic information, such as crime statistics, recreational options, and housing availability; local civic and business support for the future of the community; and funding of at least \$20,000 to implement the Certified Retirement Communities Program. The certification process will be administered by the Oklahoma Department of Commerce and implemented through a pilot project, with Stillwater serving as the pilot community. Recertification is required every five years.

HB 2671 extends the age limit for those for whom benefit certificates may be issued through a mutual benefit association from 65 to 72 years of age. The measure also extends the age cap for graded membership certificates to be issued to persons not over 72 years of age, up from the

Seniors

current 65-year cap. The measure extends the age limit for those for whom mutual benefit insurance policies may be issued to 72 years, up from 55 years of age. The measure also authorizes a mutual benefit association to not separately report member assessment fees on death benefits, provided records are kept regarding collection and disbursement of the association's funds.

State Government

In 2010 the Legislature passed several pieces of legislation that affected state government. These new laws focus on creating more transparency, efficiency, and flexibility in state government and reducing the size of government to help address budget concerns.

HB 2363 creates a voluntary buyout program (VOBO) for retirement-eligible state workers. The \$22 million in funds for the Voluntary Buy-Out Reimbursement Fund created in this bill is provided for in a separate appropriation bill, SB1442. Under the plan, agencies would pay eligible employees 18 months of health insurance costs, longevity pay, and up to a \$5,000 lump sum. Employees accepting the buyout would not be eligible for unemployment benefits and may not be employed, including under contract by the entity making the buyout payments, for a period of three years from the last date of employment. Agencies using the buyout must agree to reduce the number of full-time equivalent positions in the agency for not less than 36 months should any employee of the agency receive reimbursement from the fund.

HB 3052 grants state employees two days off of work for Christmas each year.

HB 2328 requires the Oklahoma State Employees Benefits Council to hold a planning meeting each year.

To increase the balance of the state's Rainy Day Fund, **SJR 51** proposes a constitutional amendment to be sent to the vote of the people, increasing the amount of money to be deposited in the Constitutional Reserve Fund, also known as the Rainy Day Fund, to be 15 percent of the amount estimated for the annual state budget. Currently the cap is at 10 percent. The proposed amendment also clarifies language that the governor has the discretion to issue deficiency certificates for any department or state agency.

HB 3311 provides that every act of the Legislature must contain a separate provision that clearly expresses the subject of the bill. In the event a court of this state determines that a legislative measure violates the one-subject rule of the Oklahoma Constitution, the court is to provide written findings that detail each of the multiple subjects the court has determined are contained within the measure.

HB 2852 strengthens the Administrative Procedures Act and the rulemaking process that agencies must use. The measure modifies the emergency rulemaking procedure by requiring an agency to submit substantial evidence that the emergency rule is necessary to protect the public health, safety, or welfare of the state. Agencies also must show if the emergency rule is intended to comply with deadlines in amendments to an agency's governing law or federal programs or to avoid violation of federal law or regulation or other state law; avoid imminent budget reduction; or to avoid serious prejudice to the public interest. The measure also outlines the procedures for approval or disapproval by the governor.

HB 2698 creates a section of new law to be known as the Oklahoma Government Website Information Act. This bill requires public bodies make available on their Internet websites on or before January 1, 2011, any:

- Administrative rules the public body uses to operate;
- Proposed administrative rules;
- Statutes affecting the public body and the way it operates; and
- Statutes the public may find useful when interacting with the public body.

Public body is to be used as defined in the Oklahoma Open Meeting Act.

SB 2037 requires that the Department of Central Services provide an Oklahoma state flag to any member of the U.S. Armed Forces who was a resident of the state at the time of death and was either killed in the line of duty or died of wounds received while on duty.

SB 1714 requires state agencies for the purpose of awarding contracts to:

- Give preference to goods and services that have been manufactured or produced in this state if the price, fitness, availability, and quality are otherwise equal; and
- Give preference to goods and services from another state over foreign goods or services if goods or services manufactured or produced in this state are not equal in price, fitness, availability, or quality.

State agencies must also add a percent increase to the bid of a nonresident bidder equal to the percent, if any, of the preference given to the bidder in the state in which the bidder resides.

HB 2332 adds language giving the director of the Department of Central Services (DCS) the authority to approve the ability of state government entities to use social media services and contract for technology products and services provided the terms of service contain standard language including a liability agreement. The bill also requires that only those competitive bids submitted to the state for goods and services in excess of \$5,000 contain a certification. Currently all competitive bids regardless of cost require one. The measure also adds institutions of higher education to the list of entities required to provide a list of all state purchasing card transactions. It also amends the Central Purchasing Act to require all expenditures for postage to be made to the U.S. Post Office. Finally the bill clarifies that DCS remove all data from electronic storage media from all surplus information technology and communication equipment before it is sold, donated, stored or destroyed.

SB 1578 removes the Oklahoma Accountancy Board from the nonappropriated agency chief executive officer salary schedule.

SB 1871 expands powers of the State Board of Licensure for Professional Engineers and Land Surveyors. It authorizes the board to acquire and maintain, use, and operate real property; contract for the maintenance of real property and improvements; and lease or sublease such property to public or private entities or persons.

Due to numerous statutory references to U.S Census Bureau data and continual updates in data and terminology, the Legislature enacted **HB 3230**, stating there is a need for flexible interpretation of statutory provisions citing U.S. Census Bureau information. The measure includes provisions for how Oklahoma statutory provisions with references to the census must be interpreted for consistent interpretation.

SB 1337 authorizes the Office of the State Medical Examiner to relocate adjacent to the University of Central Oklahoma Forensic Science Institute and to enter into a lease-purchase agreement. The measure authorizes the University of Central Oklahoma to take steps to effectuate the relocation of the Office of the State Medical Examiner, including the construction of a building or buildings and entering into a lease-purchase agreement.

HB 3313 doubles the cap on the amount of contracts for construction, labor, equipment, or material that may be awarded by public trust from \$25,000 to \$50,000.

New language also allows work to begin if it is performed according to the purchasing policies of the public agency. Currently, work is not allowed to commence until the contractor provides a written contract and proof of insurance.

HB 3422 requires the Office of State Finance (OSF) to update the state's Open Books website with Open Books 2.0 by January 1, 2011. Open Books 2.0 is a more expansive, searchable online database that lists individual expenditures – regardless of amount – separate from aggregated amounts. The website must present the data in a standardized exportable format. Within 18 months of Open Books 2.0 being online, OSF must create an online archive for each fiscal year beginning with FY-2011. The archive must be accessible and searchable to online users.

HB 3024 requires the Oklahoma Tax Commission and the Oklahoma Employment Security Commission (OESC) to collect, organize, and produce information at the request of the Incentive Review Committee subject to confidentiality or privacy restrictions. If the tax commission or OESC cannot respond to committee requests due to its information technology or information management systems, the agencies are required to submit a written summary of the request and a description of the deficiency to the chairs of the House of Representatives and Senate standing committees responsible for revenue and taxation.

SB 1759 adds stimulus fund expenditures to the Taxpayer Transparency Act, requiring the name and principal location of the entity and recipients of funds, the amount of funds expended, the funding or expending agency, and the descriptive purpose of the funding to be posted as soon as practicable.

SB 1759 also creates the Oklahoma State Government 2.0 pilot program. Under the program the State Governmental Technology Applications Review Board may approve a standardized social media policy for use by state agencies, boards, commissions, and public trusts having the state as their beneficiary. The board also must establish technology standards and standardization policies and set a schedule by which these standards must be utilized by agencies, boards, and commissions.

The bill also requires the state auditor and inspector to maintain a searchable website that provides public access to documentation showing how federal stimulus funding has been spent. Separately, the bill adds institutions of higher education to the list of entities required to provide a list of all state purchasing card transactions.

SB 1389 authorizes the State Board of Pharmacy to employ or appoint attorneys to advise or represent the board in any matter.

SB 1936 authorizes the Office of Juvenile Affairs to sell certain real estate located in Talihina and exempts the sale from certain statutory requirements regarding the disposal of state-owned property.

SB 2096 amends provisions regarding unpaid checks to the Department of Agriculture, requiring a debt be considered uncollectable after all appropriate collection remedies have been exhausted. SB 2096 requires a list of all uncollectable debts be sent to the Legislature, the Office of State Finance, and the Oklahoma Tax Commission by May 1 of each year.

HB 2395 requires the Office of the State Treasurer and the Oklahoma Tax Commission to prepare annual financial statements according to reporting requirements established by the Governmental Accounting Standards Board within 90 days after the end of the fiscal year. The measure increases the state auditor and inspector filing fee assessed for processing audit-related reports by public accountants or certified public accountant from \$40 to \$100. The bill also increases the threshold for transfer of any unencumbered balance in the State Auditor and Inspector Revolving Fund to the General Revenue Fund from \$500,000 to \$850,000, places the state auditor's clerical and stenographic assistants under the provisions of the State Travel Reimbursement Act, and provides that costs of state agency audits must be paid by the entity audited unless otherwise provided in statute.

HB 3315 amends provisions of the Uniform Unclaimed Property Act and the Small Business Linked Deposit Act. For unclaimed property, the measure stipulates that a record of a check being issued is evidence of an obligation, the burden of proof for the state treasurer, and allowable affirmative defenses for the holder. The measure also authorizes the treasurer to require electronic reports for unclaimed property.

The measure requires holders to be reimbursed if proof of payment made to a person who appeared to the holder is provided, rather than allowing for the option of reimbursement. The measure also expands the definition of *good faith* for relief from liability by payment. The measure requires further proof for claimants with interest in a deceased owner's property.

The measure prohibits the register of checks to be subject to the Oklahoma Open Records Act until the checks are submitted for redemption or are cancelled, in order to protect against fraud. The measure increases state treasurer fees or processing rejected warrant items, from 42 cents to \$1 per item; for handling stop-payment items, from \$10 to \$15 for each item and increasing the maximum daily cap from \$250 to \$325. The measure also extends the time the annual investment performance report is due to the Investment Oversight Commission, from 30 to 60 days after the end of the fiscal year.

Modifying the Oklahoma Development Finance Authority Act, **SB 1309** clarifies statutory references to the Oklahoma Development Finance Authority regarding its powers to carry out its purposes.

HB 2358 establishes a sunset date for the Oklahoma Building Bonds Commission on June 30, 2011. The commission is authorized to issue bonds, notes, or other obligations to refinance or restructure its outstanding obligations regarding bonds issued under the 1992 Oklahoma Building Bond and College Savings Bond Act.

SB 1070 transfers the responsibility for registration of charitable and nonprofit organizations from the secretary of state to the Office of the Attorney General. The measure amends regulations for charitable organizations and their fundraising activities. Charitable organizations that collect less than \$10,000 are currently exempt from registration. SB 1070 removes this exemption. The measure requires charitable organizations and professional fundraisers to execute written contracts. The measure increases annual registration fees from \$15 to \$65 for larger organizations and \$15 for small organizations and establishes a \$25 fee for registration changes. The measure also establishes civil and criminal penalties for violations of the act.

SB 1756 authorizes the Oklahoma Supreme Court to continue to have exclusive control of the Supreme Court courtroom and robing room, in the west wing of the second floor of the State Capitol Building and modifies reference to the spaces the Court of Criminal Appeals has access to as the presiding judge of the court deems necessary, removing the authority of the chief justice of the Supreme Court to determine Court of Criminal Appeals necessity.

The measure also states that the Legislature is permitted to allow agencies of the executive or judicial departments to use space within the State Capitol Building that is under the Legislature's management and control. The measure gives the Legislature management and control of the space in the State Capitol Building currently managed by the Oklahoma Capitol Complex and Centennial Commemoration Commission.

SB 1659 amends the Fair Labor Standards Act by providing that no agency, board, commission, department, institution, bureau, executive officer, or other entity of the executive branch can exceed the minimum overtime entitlement provisions of the act and regulations promulgated pursuant to act except as provided by the measure. In addition, the measure permits an employee receiving compensatory time to use such accrued compensatory time within 180 days following the day on which the time was accrued, provided that the taking of compensatory time does not unduly impact agency operations. Under current law, the use of accrued compensatory time is permitted within 180 days following the pay period in which the time is accrued.

HB 2629 authorizes both the Will Rogers Memorial Commission and the J.M. Davis Memorial Commission to transfer certain museum objects to other state agencies and nonprofit museums when the items are duplicates or are outside the scope of the museum collections. In addition, the measure exempts the commissions from the Oklahoma Surplus Property Act for the purposes of disposing and destroying surplus property that has deteriorated past the point of usefulness. Past and present members of the commissions, current employees, their families, and volunteers are prohibited from obtaining possession of museum collection surplus property.

SB 820 authorizes the Oklahoma Horse Racing Commission to utilize up to 15 percent of the prior year's receipts for administration of the Oklahoma Breeding Development Program. Currently, the commission is only authorized to use up to 10 percent. The measure also authorizes the commission to expend funds from the Oklahoma Breeding Development Fund Special Account to provide funding to any Oklahoma-based nonprofit entity that provides care to retired and unwanted Oklahoma-bred racing stock; to qualify, such nonprofit entities must be 501(c) organizations under IRS code. The commission is required to promulgate rules for eligibility criteria for Oklahoma nonprofit entities to receive funds for caring for retired and unwanted Oklahoma-bred racing stock.

HB 2936 increases financial institutions' reimbursement rates for preparing financial records for government authorities. New search and processing rates are:

- For clerical or technical personnel, no more than \$22 per hour per person (currently at \$11); and
- For management or supervisory personnel, no more than \$30 per hour per person (currently at \$17).

HB 3204 exempts the Oklahoma Wheat Commission from complying with provisions of the Oklahoma Central Purchasing Act.

SB 1754 updates definitions used in the drugs, devices, and cosmetics Article of Title 63 of the Oklahoma Statutes.

SB 1776 renames the Oklahoma 211 Advisory Collaborative the Oklahoma 211 Coordinating Council and specifies duties of the council.

SB 2113 provides cleanup language to remove duplications in statutes.

Several bills amend the Governmental Tort Claims Act.

HB 2890 amends law to require in the written notice of a claim to the state or a political subdivision the inclusion of any information necessary to meet the reporting requirements of the Medicare Secondary Payer Mandatory Reporting Provisions in Section 111 of the Medicare, Medicaid SCHIP Extension Act of 2007 (MMSEA) through the Centers for Medicare & Medicaid Services (CMS).

HB 3000 amends the Governmental Tort Claims Act. The measure states that if the state is a party to a structured settlement, the state may participate in the settlement if the state payments to the claimant or the insurance or annuity company that is the assignee of the claimant are completed within the fiscal year in which settlement is agreed to and if the parties sign a Qualified Assignment and Release Agreement that releases the state from further obligation.

The bill also adds contracts for annuities for structured settlements provided for in the above language to those acquisitions that must be made in compliance with the Development and Promulgation of Internal Purchasing Procedures of the Central Purchasing Act but are otherwise not subject to the other provisions of that act.

SB 2126 clarifies that technology center school districts fall under the definition of *political subdivision* as it relates to the Governmental Tort Claims Act.

HB 2895 modifies the Governmental Tort Claims Act by declaring circuit engineering districts political subdivisions of the state.

Task Forces

The Legislature established task forces to study issues in several areas, such as energy, business and taxes, and education, and make recommendations.

The Legislature enacted three energy-related task forces this session. **SB 1326** recreates the **Oklahoma Geologic Storage of Carbon Dioxide Task Force** until December 1, 2010. The task force is required to study any issues necessary to implement the transmission and storage of carbon dioxide in geologic formations, including insurance, liability, and ownership issues relating to long-term carbon dioxide storage facilities. A final report is due no later than December 15, 2010. **SB 1840** creates until January 31, 2011, a legislative task force to study the availability of retail natural gas service in Oklahoma. The measure requires the task force to explore options to overcome obstacles impeding the expansion of retail natural gas supply services to new homes and commercial facilities and to solicit participation from all retail natural gas providers in the area of the state south of Interstate 40 to determine what remedies may be available to overcome existing impediments. **SB 2169** creates the **Task Force on Tax Incentives to Increase Natural Gas Pipeline Capacity**. The measure requires the task force to study existing tax incentives available to the natural gas pipeline transmission industry and to determine the extent to which tax incentives are used and the estimated fiscal impacts of such incentives on the industry and state revenue. The seven-member task force is required to report its findings by December 31, 2010.

Two measures influence the duties of task forces relating to business and taxes. Amending the authority of the **Incentive Review Committee**, **HB 3024** requires the Oklahoma Tax Commission and the Oklahoma Employment Security Commission (OESC) to collect, organize, and produce information pursuant to committee subject to confidentiality or privacy restrictions. If the tax commission or OESC cannot respond to committee requests due to its information technology or information management systems, the agencies are required to submit a written summary of the request and a description of the deficiency to the chairs of the House of Representatives and Senate standing committees responsible for revenue and taxation measures within.

The **Task Force on Comprehensive Tax Reform**, created in **SJR 61**, will recommend amendments to the Oklahoma Business Activity Tax Code, review taxes imposed on businesses and individuals in Oklahoma, and develop recommendations and proposed legislation to provide simplification and fairness in Oklahoma's tax structure. The task force is required to submit a final report to the governor, president pro tempore of the Senate, and speaker of the House of Representatives by January 1, 2012.

In the area of workers' compensation, **HB 2650** creates the **Task Force on Vocational Rehabilitation for Injured Workers** to study methods to improve vocational rehabilitation programs. The task force is required to submit a report of its findings to legislative leaders by November 30, 2010.

Task Forces

In the area of education, legislators attempted to improve principal training and school performance with **SB 1617** which creates the **Oklahoma School Principal Training Task Force**. The task force will review training requirements for principal certification in Oklahoma and ways to improve and incorporate more leadership training into requirements. The task force must submit a report to the speaker of the House of Representatives and president pro tempore of the Senate by December 31, 2010.

SB 2129 creates until December 31, 2010, the **Statewide Virtual School Task Force** to explore the feasibility of a statewide virtual school and recommend the purpose, structure, enrollment process, types of courses, services provided, location of operations, and funding for the school.

Other task forces fall under a variety of topics. The **Innovative Funding for Oklahoma Roads Task Force** is created until December 1, 2011, by **SB 1941** to evaluate innovations, technologies, and new methods being employed nationally and by other states to more adequately and equitably fund road and bridge infrastructure, including both new construction and maintenance. In addition, the task force must include, but is not limited to, discussions of proposed reforms to the Federal Highway Law funding formula that encourage states to adopt new funding methods to increase their share of federal-aid dollars.

SB 1330 creates the **Invasive Species Task Force** to create a statewide plan for eradication of invasive species. Invasive species are those species that are detrimental to the natural resources and agricultural production in the state as well as those that pose a potential disease risk. Feral swine, eastern red cedar trees, and zebra mussels are all examples of invasive species found in Oklahoma. The task force must report its findings to the president pro tempore of the Senate and the speaker of the House of Representatives by December 31, 2010.

SB 2170 creates the **Task Force on Standardization of Courtroom Security Procedures**. The task force must present a report to the speaker of the House of Representatives and the president pro tempore of the Senate by November 30, 2010.

HB 2920 creates the **Shaken Baby Prevention Education Initiative Task Force** to identify models for reducing incidents of abusive head trauma in infants and develop a plan for implementing the model statewide. The task force must submit annual reports to the speaker of the House of Representatives and the president pro tempore of the Senate beginning December 31, 2010, until it disbands December 31, 2015.

HB 2653 creates the **Task Force on Municipal Finance** to examine the laws governing municipal finance. The task force will review existing sources of revenues available to municipal governments, requirements for establishing and maintaining sinking funds, laws governing the creation and maintenance of separate accounts within municipal general funds, laws governing investment or other use of municipal revenues, laws governing the establishment of municipal reserve funds similar to the Constitutional Reserve Fund, and other matters related to municipal finance.

In addition, the task force is required to organize by September 30, 2010, and submit a final report containing recommendations for changes in the law governing municipal finance no later than January 31, 2011.

SB 1601 directs the Department of Human Services and the Department of Mental Health and Substance Abuse Services to develop and implement a Vulnerable Adult Intervention Task Force for the purpose of making recommendations on the best ways to provide interdisciplinary community assistance for persons with physical and mental disabilities, dementia and other related conditions. The task force is required to submit a report to the Legislature on or before December 31, 2010, and every year thereafter.

HB 2319 states that if a legislatively created task force or similar advisory body does not conduct at least one meeting or issue a final report within three years of the date in which the law that created it became effective, that task force will cease to have any authority and be considered terminated. This language applies to all existing task forces and advisory boards, not just those created after the November 1 effective date of this bill.

Tourism and Recreation

The Legislature passed a variety of bills related to tourism and recreation, ranging from entertainment events to home brewing.

Tourism

To assist with the promotion of quality events that have an economic impact, the Legislature enacted **SB 1284** which creates the Oklahoma Quality Events Incentive Act. The act allows a host community, at least one year prior to an event, to designate a geographic area for the event, duration to capture sales tax revenue, and type of expenses eligible for promotion, including advertising, facility rental, promotional materials, and security. A host community must adopt an ordinance or resolution outlining event designation, and within 90 days of adoption the host community must submit such ordinance or resolution to the Oklahoma Tax Commission with an economic impact study. The tax commission then has 90 days to approve or disapprove the study. The Oklahoma Department of Commerce and the Oklahoma Tourism and Recreation Department must provide assistance the tax commission may request.

The measure requires the host community to disclose to the tax commission the total amount of eligible local support for determining the amount of incremental state sales tax revenue that may be paid to the host community where a quality event occurs. The tax commission must verify the amount of eligible local supports, such as payments made by a local government entity to sponsors and payments made by sponsors to for-profit or nonprofit entities, prior to disbursement to the host community.

A second important tourism bill, **SB 461**, amends the Oklahoma Tourism Development Act by amending the definition of *tourism attraction* to include a destination hotel that includes upscale dining, recreation, and entertainment, making the hotel itself a destination for tourists. The measure also requires that the economic impact reports include an analysis of the extent to which tourism attraction projects will be revenue neutral to the state, meaning the amount by which increased tax revenues from tourism attraction projects or film or music production facilities will exceed allowable sales tax or income tax credits. SB 461 also requires extensions of tax credits to be revenue neutral. The Oklahoma Tax Commission is now authorized to require proof of expenditures prior to issuing tax credits to any approved company. The Oklahoma Tourism Development Act provides incentives for new or expanding tourism projects such as entertainment sites, areas of natural beauty, amusement parks, botanical gardens, and cultural or educational centers. The tourism project must attract at least 15 percent of out-of-state visitors, must cost at least \$500,000, and have a significant, positive economic impact.

Other measures relate to the operational side of tourism:

- **SB 1347** changes the name of the Division of Travel and Tourism to the Travel Promotion Division. In addition, the measure specifies that the expenditure of funds for all purchases in excess of \$50,000 cannot be contracted without the approval of a

majority of the Oklahoma Tourism and Recreation Commission. Under current law, such approval is required for the expenditure of funds in excess of \$25,000.

- **SB 1519** authorizes the Scenic Rivers Commission to charge an annual use fee of \$10 for each noncommercial, privately owned device or a use fee of \$1 per day for all noncommercial, privately owned flotation devices floating upon state-designated scenic rivers. The aforementioned fees apply to the Flint Creek and Illinois River within Adair, Cherokee, and Delaware counties and the portions of Barren Fork Creek within Cherokee County. Landowners adjacent to state-designated scenic rivers do not have to pay either fee.
- **HB 1740** approves the Oklahoma Centennial Botanical Garden Authority as a beneficial interest to the state. The measure further specifies that the authority cannot issue bonds until the Legislature has determined that sufficient monies will be available for payments.
- **SB 1351** allows the Oklahoma Film and Music Office to keep business plans, feasibility studies, proposals, business development information, and trade secrets confidential, thus providing an exception to the Open Records Act. The office may not keep information confidential when the person submitting the information consents to disclosure.

Recreation

HB 2348 allows home brewers to produce low-point beer for personal use if they obtain a personal use permit from the Alcoholic Beverage Laws Enforcement Commission, and production of low-point or other beer is limited to 200 gallons per year. The measure allows beer, cider, or wine produced with a personal use license to be offered at exhibitions or competitions but not be offered for sale. The measure also expands the list of exemptions for excise tax to include the making of beer for personal use. Making cider and wine is currently exempted.

The Oklahoma Wildlife Conservation Commission, under **HB 2862**, may require people without hunting or fishing licenses to have a Wildlife Conservation Passport that would grant people access to land owned by the wildlife commission. The passport fee is \$1 above the cost of the annual fishing or hunting license, which is meant to encourage residents to purchase the license instead of the passport. The passport has been aimed at people using wildlife conservation areas mainly to watch wildlife and who do not have hunting or fishing licenses.

Transportation

Funding issues dominated the transportation arena this session. Measures were enacted to increase the availability of funding to continue the Department of Transportation's eight-year construction plan and to proceed with the Rebuilding Oklahoma Access and Driver Safety Fund (ROADS) projects. The ROADS fund was created to address critical state highway construction, repair, and maintenance needs.

SB 1466 increases incremental funding to the ROADS to \$35.7 million annually until a cap of \$400 million is reached. The measure also transfers nearly \$100.8 million from the State Transportation Fund to the Special Cash Fund. The original funding cap was \$170 million, with an annual incremental funding level based on a 3 percent threshold in General Revenue Fund growth. Incremental annual allocations of \$35.7 million from FY-2012 - FY-2016, plus a final deposit of \$6.5 million in FY-2017 will bring the ROADS Fund to the \$400 million cap.

Another measure, **HB 2971**, transfers the interest derived from investments by the state treasurer from monies credited to the Emergency and Transportation Revolving Fund to the Statewide Circuit Engineering District Revolving Fund. The Emergency Transportation Revolving Fund provides funding for counties to address emergency projects reimbursable by federal or state funds. The Circuit Engineering District Revolving Fund provides funding to eight Circuit Engineering Districts that enable the counties to come together as a cooperative and achieve efficiencies and economies of scale for transportation-related projects that may not be available to an individual county. The measure also states that interest received on investments of funds in the Emergency and Transportation Revolving Fund need not be remitted to the General Revenue Fund.

To provide transportation funding to counties more quickly, **SB 2173** deletes references to the County Bridge and Road Improvement (CBRI) Fund as they relate to the allocation of gasoline, diesel, and gross production taxes to the Oklahoma Department of Transportation (ODOT) on behalf of the counties and allocates those monies directly to the counties based on a formula developed by ODOT. In addition, interest earned on the CBRI Fund that formerly went to the Statewide Circuit Engineering District Revolving Fund is eliminated. To provide the Statewide Circuit Engineering District Board with its previous level of funding, SB 2173 allocates percentages of gasoline, diesel, and gross production taxes that are equivalent to the board's former source of funding. The measure also provides that the board of county commissioners in every county must notify ODOT at least 21 days prior to accepting bids on any publicly let road or bridge work projects in the county. The department is required to make this information available to the public online.

The Innovative Funding for Oklahoma Roads Task Force is created until December 1, 2011, by **SB 1941** to evaluate innovations, technologies, and new methods being employed nationally and by other states to more adequately and equitably fund road and bridge infrastructure, including both new construction and maintenance. In addition, the task force must include, but is not

limited to, discussions of proposed reforms to the Federal Highway Law funding formula that encourage states to adopt new funding methods to increase their share of federal-aid dollars.

HB 2609 clarifies the intent of the regulation of outdoor advertising signs within 660 feet from the edge of the right-of-way on interstate and federal-aid primary highways located within urban areas by adding the phrases “with the intent to be read” and “on the same side of such facilities.”

SB 2179 removes the distinction between interstate and freeway primary highways, referring to routes regulated by the Department of Transportation, and limits the relocation of billboards to contiguous counties or within the same transportation commission district. The measure also removes the six month limit on negotiation of a settlement for relocation of outdoor advertising during a condemnation proceeding.

HB 2919 creates the Aircraft Pilot and Passenger Protection Act to allow the Oklahoma Aeronautics Commission to regulate the height of structures near public use airports. The measure requires a person to obtain a permit from the Oklahoma Aeronautics Commission prior to construction, installation, or alteration of any structure near a public use airport. The Aeronautics Commission is allowed to assess up to \$200 per permit application.

HB 3220 authorizes the Oklahoma Turnpike Authority to establish a new turnpike in Tulsa beginning at Interstate 44 near its intersection with 49th West Avenue, past State Highway 64/412, turning northeasterly, crossing 41st West Avenue, and continuing eastward to the L.L. Tisdale Expressway.

HB 2967 relates to documentation required to be carried by operators of any truck or other vehicle transporting farm products. The measure clarifies the definition of *certificate* to include electronic manifests and other similar documents that include all required information.

Tribal Affairs

Legislators passed four measures in the area of tribal affairs. Two measures have to do with education. The first, **HB 2929**, creates the 18-member Oklahoma Advisory Council on Indian Education. The council will make recommendations to the State Board of Education and superintendent of public instruction on education of Native American students and ways to promote equal educational opportunities and improve quality of education provided to those students. The council will make an annual report to the State Board of Education and will sunset July 1, 2014. The second, **SB 1862**, allows federally recognized Indian tribes to sponsor charter schools for native language immersion.

One of the two other measures, **SB 1901** authorizes the Native American Cultural and Educational Authority to enter into contractual agreements without approval from the Department of Central Services and adherence to the provisions of the Public Building Construction and Planning Act when approving agreements relating planning, construction, development, operation, maintenance, and administration of commercial facilities which support, enhance, or contribute to the American Indian Cultural Center. Finally, **HB 2717** authorizes any federally recognized Indian tribe, band, or nation that benefited from the creation of a state agency housing authority to assume management and control of the state agency housing authority and all its assets.

Veterans and Military

The Legislature passed a few bills that help honor heroes killed in combat. **HB 2571** allows unclaimed, cremated remains of military personnel to be transferred to charitable organizations for providing dignified and honorable funerals. **SB 2037** makes sure that the Department of Central Services provides an Oklahoma state flag to any member of the U.S. Armed Forces who was a resident a resident of the state at the time of death and was either killed in the line of duty or died of wounds. Finally, **SB 1715** allows any child participating in a military funeral honors ceremony to be excused from school if the principal gives approval.

In a related bill, **HB 2572** amends the Oklahoma Funeral Picketing Act by clarifying that any picketing must be done outside 500 feet from the property line of a church, cemetery, or mortuary. Current law did not specify property line.

Five additional bills will provide benefits to veterans and active members of the military.

- **HB 3383** allows military personnel over 21 years of age to bring more than one liter of alcoholic beverages into Oklahoma without paying an excise tax when returning from temporary overseas active assignment.
- **HB 2300** creates a state income and corporate tax check-off provision for the Oklahoma Honor Flights program. This program provides transportation for Oklahoma veterans to Washington, D.C., so they can visit the national memorials dedicated to their service.
- **SB 1398** provides that taxpayers requesting an annual boat and boat motor registration renewal notice by mail will be charged a 50 cent fee, and those requesting an electronic notice will have no fee. Members of the U.S. Armed Forces eligible to receive the annual reduced rate for military registration fees will continue to receive annual postcard renewal notices by mail with no charge.
- **SB 1816** provides an exemption from delinquent motor vehicle registration fees for any Oklahoma resident who is a member of the U.S. Armed Forces, Reserve Corps of the U.S. Armed Forces, or the Oklahoma National Guard stationed outside of the state due to official assignment with the Armed Forces. The exemption applies to the individual and his or her spouse for the duration of official assignment and for a period of 60 days after the assignment ends. The exemption is only granted upon submission of specified documentation.
- **SB 2142** helps make voting easier for military personnel by modifying information needed to transmit balloting materials to Federal Post Card Application registrants for state or federal elections, removing the requirement that the voter provide a current address outside the United States. The measure also provides for special write-in absentee ballots for voters covered by the federal Uniformed and Overseas Absentee Voting Act of 1986 for all federal and statewide offices on the ballot.

Although **SB 1321** does not create a new benefit for veterans, it ensures that they receive an existing one. Vendors must recognize the sales tax exemption for disabled veterans or they are subject to a misdemeanor offense and additional fine of not more than \$500 for any second or subsequent violation. The tax commission is required to refer any vendor who has willfully or intentionally refused to honor the exemption multiple times to the district attorney for prosecution.

Two measures were enacted that provide military-related state institutions increased operational flexibility. First, **SB 2260** grants any state employee in the executive branch who is a member of the U.S. Air Force Auxiliary Civil Air Patrol a leave with pay for up to 15 working days in any 12-month period during disasters designated at level III and above. Second, **HB 2292** would allow the adjutant general to spend armory board revenue on furnishings for facilities. Such expenditures would be capped at \$300 per occasion and \$2,500 per year. The bill also allows the adjutant general to:

- Determine the amount of compensation and benefits for members of the National Guard;
- Administer and determine eligibility for Serviceman's Group Life Insurance or State Sponsored Life Insurance;
- Establish, design, and award state military medals, ribbons, certificates, or any other award; and
- Appoint current and former members or their spouses of the National Guard to serve as board members without compensation or reimbursement of travel or personal expenses.

HB 2939 amends the Uniform Durable Power of Attorney Act by adding extended absence as a condition for which acts of attorney-in-fact are effective. If the principal is a member of the U.S. Armed Forces is deployed for military service or training or is classified as missing in action or a prisoner of war, it will not be considered an extended absence. A durable power of attorney activated because of an extended absence will be considered in effect until the principal makes contact with the attorney-in-fact, family members, or friends or until the principal is found.

The Legislature also passed three veterans and military-related bills regarding placards and license plates:

- **HB 2567**, related to disability placards, requires the recognition of any disability placards issued by the Department of Veterans' Affairs, federal military bases, or other states as valid in Oklahoma. The measure also imposes a \$500 fine for individuals who illegally use a disabled parking space.
- **SB 1917** creates the Armed Forces Veterans Motorcycle license plate for honorably discharged former members of the U.S. Armed Forces demonstrating support for the 45th Infantry Division.
- **HB 2918** authorizes the issuance of the U.S. Air Force Academy Alumni License Plate and Operation Enduring Freedom Veteran License Plate.

Finally, in an effort to deal with the economic impact of the military on Oklahoma's economic growth, **HB 1786** amends the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act by adding the following definitions:

- *Military growth impact community* means a city, town, or county experiencing or reasonably projected to experience a population growth of at least 1,000 people and increased payrolls of at least \$10 million within a five-year period as a direct resulting of federal military base activities;
- *Military growth impact project* means a project pursuant to the Local Development Act which the governing body determines to be in support of the needs and quality of life issues resulting from the military growth impacts;
- *Military growth impacts* means increases in investment, employment, and residents resulting from military growth activities; and
- *Estimated direct state benefits* and *estimated direct state costs* definitions are modified so that for the purposes of projecting state benefits or costs for a military growth impact project, the military growth impacts must be used in lieu of the project or projects described in the related project plan.

Workers' Compensation

After years of similar efforts, the Legislature was successful in enacting a number of workers' compensation reforms affecting disability payments, court composition and procedures, mediation, and vocational rehabilitation.

To cut the cost of workers' compensation coverage for businesses, legislators sent a package of workers' compensation bills to the governor. **HB 2650** adds definitions to the Workers' Compensation Act and amends the compensation schedule for permanent partial disability (PPD) injuries. Definitions used in the Workers' Compensation Act are changed as follows:

- Amends the definition of *employee* to specifically exclude individuals who are party to a franchise agreement;
- Amends the definition of *insurance carrier* to include CompSource Oklahoma;
- Amends the definition of *major cause* to mean more than 50 percent of the resulting injury, disease, or illness;
- Establishes that a finding determining the workplace was not a major cause of the injury will not create a separate cause of action outside the workers' compensation title;
- Amends the definition of *objective medical evidence* to include objective findings which means findings not under the voluntary control of the patient, listing medical tests that suffice;
- Creates a definition for *surgery* to not include an injection; and
- Creates definitions for *continuing medical maintenance*, *evidence-based*, *nationally recognized*, *scientifically based*, *peer review*, and *state-developed*.

As a cost-saving measure for businesses' coverage, the measure exempts injuries sustained outside the course of employment and specifies that when employers make a good faith effort to provide a light-duty position for the claimant's same rate of pay, and the claimant refuses the work, the claimant is not entitled to temporary total disability.

HB 2650 terminates pay for permanent total disability cases once the employee reaches the age of 100 percent Social Security retirement or after 15 years, whichever is longer. In case of a death of the employee unrelated to a workers' compensation injury or illness, the measure allows for benefits to continue to the beneficiary for the same period of time.

Other reforms in the measure include new compensation schedules for permanent partial disability (PPD) for loss of digits, limbs, sight or hearing, permanent disfigurement, hernia, and soft tissue injuries. For PPD payments, the weekly compensation is capped at \$323 a week, based upon 70 percent of the employee's average weekly wages, but must not be less than \$150 per week. After five years, PPD payments must be 70 percent of the employee's average weekly wages, but not more than 50 percent of the state's average weekly wage. For 2010 the state's average weekly wage is \$717.

The measure amends duties of the Physician Advisory Committee to design guidelines that will assist providers by offering a framework for the evaluation and treatment of injured workers and requires the Oklahoma Workers' Compensation Court to be bound by the findings and recommendations of the committee regarding reasonable and necessary medical treatment, unless there is clear and convincing evidence to the contrary. Any order for medical care not consistent with the committee's recommendations must include specific findings to support the deviation in care. The requirement that the committee must consider the standards found in the Occupational Medicine Practice Guidelines as developed by the American College of Occupational and Environmental Medicine is repealed.

Finally, HB 2650 creates the Task Force on Vocational Rehabilitation for Injured Workers to study methods to improve vocational rehabilitation programs. The ten members of the task force are to be appointed by the governor, speaker of the House of Representatives, and president pro tempore of the Senate, representing employees, employers, doctors, labor, insurance carriers, and vocational experts. The task force is required to submit a report of its findings to legislative leaders by November 31, 2010.

SB 1973 requires proceedings of the Oklahoma Workers' Compensation Court (OWCC) sitting en banc be recorded and authorizes the Supreme Court to modify, reverse, or set aside an order or award if the OWCC acts outside its powers or the law. The measure also requires the claimant to be present during mediation and increases fees for the OWCC's operations that have not been increased in over a decade.

The measure requires the OWCC administrator to provide contact information for the court's counselor program to the injured worker. SB 1973 also requires the administrator to waive payment for medical services rendered under the act, in the case of abusive practices.

The composition of the OWCC is amended in **HB 2652**, reducing the court to eight judges, requiring five to be permanently assigned to Oklahoma City and three in Tulsa. The measure expands OWCC judges' terms to eight years, requires Senate approval of the governor's judicial appointments, and requires the judges to have five years prior workers' compensation experience. Current OWCC judges may be eligible for an immediate, initial eight-year term upon expiration of their current term, but future OWCC judges are only eligible to reapply to serve on the court for additional terms after at least three years have passed.

Due to budget constraints, the OWCC planned to close the Tulsa branch of the court, but to ensure injured workers access to hearings, HB 2652 prohibits the closing of the Tulsa Workers' Compensation Court without the approval of the Legislature.

SJR 66 prohibits HJR 1041, which passed in 2009, from being sent to a vote of the people. HJR 1041 proposed a constitutional amendment to require Senate confirmation of any gubernatorial appointment to the Workers' Compensation Court, but a vote of the people is no longer necessary because of the passage of HB 2652 which achieves the same result.

To guarantee appropriate competency levels of adjusters, **HB 1611** requires workers' compensation insurance claims adjusters to be licensed under the Insurance Adjusters Licensing

Act and to complete six hours of continuing education related to the Workers' Compensation Act as part of the required 24 hours of continuing education.

For small businesses, **HB 3169** allows an employer's spouse to be exempt from coverage under a workers' compensation insurance policy. For workers' compensation coverage exemptions, small employers are defined as those having five or fewer employees.

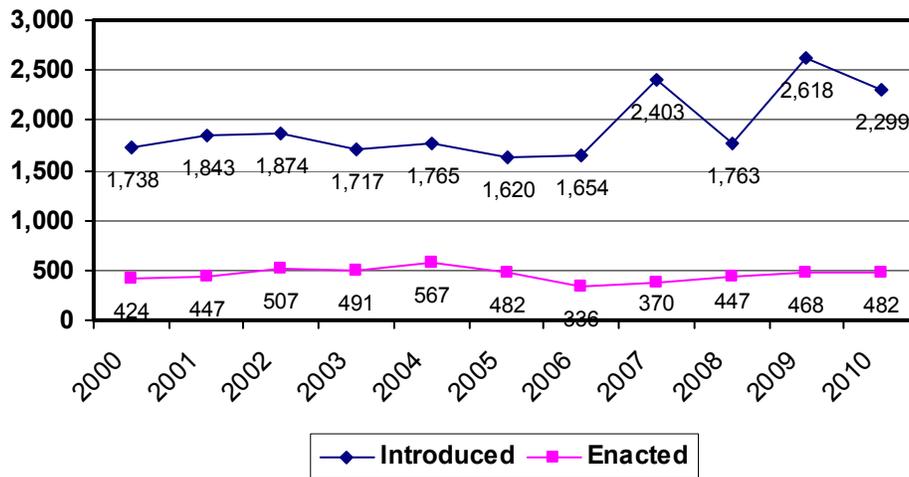
To prevent further fraud in the system, **HB 2911** prohibits the creation of a new business to avoid paying a workers' compensation judgment.

Due to duplication of reporting, **SB 1628** repeals the section of law requiring the commissioner of labor to annually produce a list of the most dangerous industries based upon frequency of occupational injuries; this list is then provided to workers' compensation insurance companies by the insurance commissioner.

SB 1369 clarifies that construction or remodeling to a single family or duplex structure that is also for rental purposes is also exempt from the requirement that contractors demonstrate proof of general liability insurance and workers' compensation insurance prior to issuance of a municipal building permit.

Appendix 1 Legislative Production 2000-2010

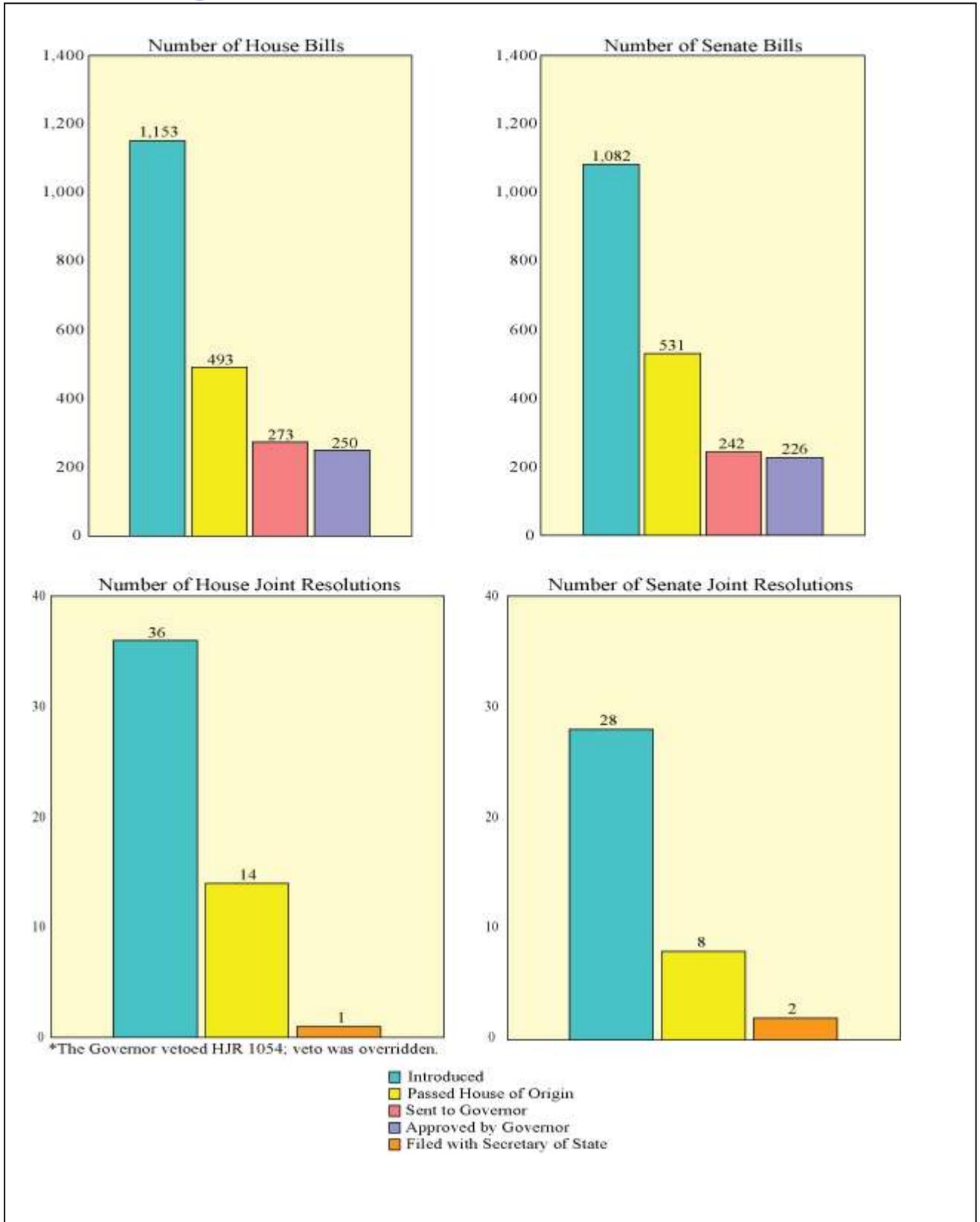
Measures and Joint Resolutions Introduced and Enacted*



* Does not include concurrent and simple resolutions or measures filed or enacted during any special sessions.

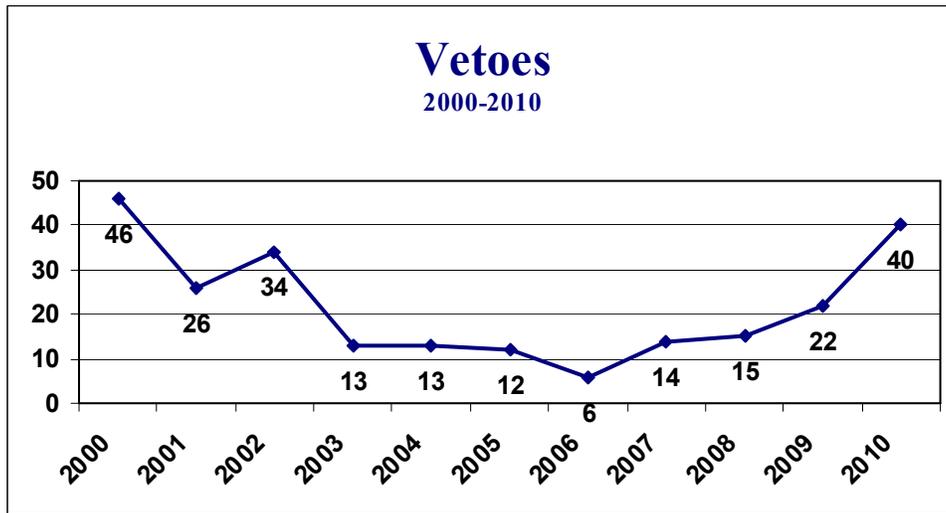
Source of enacted measures data is the House Journal.

Appendix 2 Legislative Production Detail for 2010



Appendix 3 Veto 2000-2010

Governor Brad Henry vetoed 40 bills during the 2010 legislative session, the highest number of vetoes during his eight years in office. Legislators successfully overrode three of the vetoes. The graph below shows vetoes since the year 2000. Measures that were line-item vetoed are counted as vetoes.



Measures that were line-item vetoed are counted as vetoes.

Appendix 4 Veto Overrides 2010

The following measures were vetoed by the governor, but the veto was overridden by the House of Representatives and Senate:

HB 2656 states that in a wrongful life action or a wrongful birth action, no damages would be allowed to be recovered for any condition that existed at the time of a child's birth if the claim is that the defendant's act or omission contributed to the mother's not having obtained an abortion.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2656. This legislation is potentially detrimental to all pregnant women and their families. By prohibiting recovery of damages in wrongful birth and life malpractice actions, the legislation would allow unscrupulous, reckless or negligent physicians to knowingly withhold information or negligently provide inaccurate information to pregnant women without facing the potential of legal consequences. At the very least, pregnant women and their families should expect to receive accurate, comprehensive information from their doctor so they can make appropriate medical decisions. It is unconscionable to grant a physician legal protection to mislead or misinform a pregnant woman in an effort to impose his or her personal beliefs on his patient.

The House and Senate successfully overrode this veto.

HB 2780 requires an obstetric ultrasound at least one hour prior to an abortion and requires records be kept up to seven years depending upon the reason for the abortion and age of the woman. Any abortion provider who violated the requirements would have been liable for damages.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2780. While I support reasonable restrictions on abortion, this legislation has numerous flaws. First and foremost, HB 2780 lacks an essential exemption for victims of rape and incest. By forcing the victims of such horrific acts to undergo an ultrasound and listen to a detailed description of the procedure after they have faced the unspeakable trauma of rape or incest, the state victimizes the victim for a second time. It would be unconscionable to subject rape and incest victims to such treatment. Second, because a similar provision of law has already been struck down by the courts, this legislation will be challenged again, resulting in a costly and potentially futile legal battle for the state. Finally, HB 2780 represents an unconstitutional attempt by the Oklahoma Legislature to insert government into the private lives and decisions of its citizens. State policymakers should never mandate that a citizen be forced to

undergo any medical procedure against his or her will, especially when such a procedure could cause physical or mental trauma. To do so amounts to an unconstitutional invasion of privacy.

The House and Senate successfully overrode this veto.

HB 3284 would have required the State Board of Medical Licensure and Supervision and the State Board of Osteopathic Examiners, in conjunction with the Oklahoma State Department of Health, to ensure compliance with the Statistical Reporting of Abortions Act and to verify the data submitted by conducting periodic inspections of places where abortions are performed.

The measure would have required physicians who perform abortions to report certain information to the health department and directed the department to make state statutes and regulations related to abortion and the reporting forms available on its website and to notify physicians in the state about the requirements to report abortion-related information.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 3284. While I support reasonable restrictions on abortion, this legislation has numerous flaws. As with previous abortion bills I have vetoed, HB 3284 lacks an essential exemption for rape and incest victims. By forcing them to submit to a personally invasive questionnaire and posting the answers on a state website, this legislation will only increase the trauma of an already traumatic event. Victims of such horrific acts should be treated with dignity and respect in such situations, as should all people. Requiring patients to publicly reveal highly intimate and personal details of their lives to obtain a medical procedure protected by this nation's highest court constitutes an unconstitutional invasion of privacy and barrier to legal medical treatment. If it were to become law, HB 3284 would be challenged in court and result in an expensive and potentially futile legal battle for the state. Because of these many flaws, this legislation is not in the best interest of the state of Oklahoma

The House and Senate successfully overrode this veto.

Appendix 5

Summary of Vetoes for the 2010 Legislative Session

Brief descriptions of the bills and the governor's veto messages for the 2010 legislative session are listed below, excluding those that were overridden by the Legislature which are listed in Appendix 4.

HB 2266 would have provided that the state is not required to submit a rap sheet, date of birth, or social security number of any witness currently certified as a law enforcement officer when responding to a disclosure request from the defense in a trial. It also would have clarified the death penalty procedure and allowed the appointment of counsel for indigent defendants not in custody.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2266. While this legislation contains some positive provisions, it also places a costly, unworkable unfunded mandate on local court funds, requiring payment from local court funds of the cost of certain indigent defense cases. Those court funds were not established for that purpose, and the resources do not exist to fulfill such obligation without dramatically and negatively impacting court operations.

HB 2310 would have required each state agency, board, or commission within the executive department to use the Trip Optimizer system for state employee travel when the employee's travel exceeds 100 miles per day and the employee is not driving a state-owned or state-leased dedicated vehicle.

It also would have required all state agencies to provide a detailed listing of all employees and resources dedicated to the provision of financial services and agencies ranking in the bottom ten percent of cost performance assessment to enter into a contract with the Office of State Finance for financial services.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2310. While House Bill 2310 contains some positive provisions, it contains a fatal flaw. By giving the Office of State Finance the authority to conduct performance assessments of agencies and then requiring low-scoring agencies to enter financial services contracts with OSF, the legislation creates an untenable conflict of interest.

HB 2370 provided the maximum number of full-time-equivalent employees for certain state agencies, boards, commissions, and departments.

Appendix 5 - Summary of Vetoes for the 2010 Legislative Session

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2370. This legislation contains several mistakes with regard to individual agency's FTE limits that make it impossible to implement.

HB 2375 would have reduced the FY-2011 General Revenue appropriation by \$8.5 million for total FY-11 appropriation of nearly \$1.07 billion and appropriated \$8.5 million from FY-2011 General Revenue for transfer to the Oklahoma Ad Valorem Reimbursement Fund.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2375. This bill takes money from school formula funds used for all schools and redistributes these funds to a few schools. The state's obligation to the ad valorem reimbursement fund should be funded in full but should not come at the expense of all other schools.

HB 2463 would have transferred \$50,000 from the Drug Money Laundering and Wire Transmitter Revolving Fund to the Special Cash Fund and appropriated \$50,000 from the Special Cash Fund to the Alcoholic Beverage Laws Enforcement Commission.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2463. This legislation transfers funds from the Drug Money Laundering and Wire Transmitter Revolving Fund to a state agency without any justification for doing so or any explanation about the ultimate use of the funds. This transfer was not part of the state budget agreement and does not contain sufficient information to merit approval.

HB 2475 would have transferred \$200,000 from the Drug Money Laundering and Wire Transmitter Revolving Fund to the Special Cash Fund and appropriated \$200,000 from the Special Cash Fund to the Office of the State Fire Marshal.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2475. This legislation transfers funds from the Drug Money Laundering and Wire Transmitter Revolving Fund to a state agency without any justification for doing so or any explanation about the ultimate use of the funds. This transfer was not part of the state budget agreement and does not contain sufficient information to merit approval.

HB 2483 would have transferred \$300,000 from the Drug Money Laundering and Wire Transmitter Revolving Fund to the Special Cash Fund and appropriated \$300,000 from the Special Cash Fund to the Council on Law Enforcement Education and Training.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2483. This legislation transfers funds from the Drug Money Laundering and Wire Transmitter Revolving Fund to a state agency without any justification for doing so or any explanation about the ultimate use of the funds. This transfer was not part of the state budget agreement and does not contain sufficient information to merit approval.

HB 2486 would have transferred \$90,000 from the Drug Money Laundering and Wire Transmitter Revolving Fund to the Special Cash Fund and appropriated \$90,000 from the Special Cash Fund to the Board of Medicolegal Investigations.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2486. This legislation transfers funds from an existing state account to a state agency without any justification for doing so or any explanation about the ultimate use of the funds. This transfer was not part of the state budget agreement and does not contain sufficient information to merit approval.

HB 2569 would have prohibited the Department of Public Safety from assigning any radio frequency identification tag (RFID) or utilizing any RFID ink on any driver license or identification card.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2569. In a time of constantly evolving and improving technology, it is not in the best interest of the state or its citizens to prospectively ban the use of a specific technology that could provide benefits in the future.

HB 2575 would have allowed the State Department of Education to change codes for the Oklahoma Cost Accounting System only once per year.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2575. While it may be well intended, HB 2575 triggers an unintended consequence that could reduce accountability of public school expenditures. By

mandating that fiscal reporting codes cannot be changed more than once a year, the legislation makes it difficult if not impossible for state personnel to track certain expenditures and new program implementation by not being able to provide coding as needed.

HB 2658 would have extended the deadline for CompSource Oklahoma to be converted into a private insurance company until December 31, 2011, and extended the termination date of the Task Force on the Privatization of CompSource Oklahoma until December 31, 2012. It also would have allowed state agencies to insure against liability for workers' compensation with CompSource rather than requiring agencies to do so.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2658. Currently, all state agencies may obtain workers compensation insurance coverage from an insurer other than CompSource Oklahoma if it can be demonstrated that the policy will result in lower costs. This legislation, however, could lead to short- and long-term increases in state agencies' workers compensation premiums because the requirement to demonstrate lower costs is removed, forcing state lawmakers to shift funds from other important state programs in order to pay the higher costs. It would be poor public policy to enact legislation that unnecessarily increases state workers compensation insurance premium costs, particularly in a time of budget crisis.

HB 2733 would have authorized the court to grant a qualified relative custody by abandonment of a minor child abandoned in the care of a relative if the child was living full time with the relative, the relative contributed the majority of the support for the child and the relative was unable to contact the parents or the parents refused to take custody of the child.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2733. While the supporters of HB 2733 are well intended, the legislation itself is poorly constructed and could result in a number of unintended consequences that would not benefit children or families but, instead, would create confusion, conflict and instability. I urge supporters of this legislation to work with my staff and other interested parties to address these deficiencies and submit a new bill for my consideration and signature this session

HB 2886 would have permitted the risk management division of the Department of Central Services to assist upon request any state agency in obtaining workers' compensation insurance.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to

me, I have VETOED House Bill 2886. This legislation is a companion bill to HB 2658, which I vetoed because it increases state costs.

HB 2894 would have required any person convicted of committing workers' compensation fraud to be liable for their employer's increase in workers' compensation insurance premium costs, if additional premium costs occurred as a result of the fraud.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2894. While it is critical for the state to punish those who commit fraud of any kind, it is equally important that any state-imposed penalties be clearly and concisely prescribed in statute in order to be fairly and effectively administered by the appropriate courts. HB 2894, however, is so vaguely and ambiguously constructed that it would be virtually impossible for any court to administer in a manner that would withstand constitutional challenge. In proposing a monetary penalty for those found guilty of fraud, HB 2894 offers no clear formula for determining and legally justifying such an assessment, the amount of it, or how long it will be imposed. Without significantly more detail, HB 2894 runs afoul of the constitution and cannot function as an effective statutory penalty. I urge supporters of this legislation to work with my staff and other interested parties to address these deficiencies and submit a new bill for my consideration and signature this session.

HB 2994 would have declared Oklahoma's rights under Amendments II, IX and X to the U.S. Constitution to be free from undo regulation of firearms, firearms accessories and ammunition by the federal government when the firearms, firearms accessories and ammunition were manufactured in Oklahoma and remained in Oklahoma. It would have required firearms manufactured in Oklahoma to be stamped "Made in Oklahoma" and would have required the Oklahoma Department of Commerce to collaborate with an Oklahoma institution of higher education that offers a gunsmith curriculum to develop strategies to attract firearms manufacturers to Oklahoma.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 2994. This legislation is essentially identical to SB 1685, which I vetoed earlier this session. As a strong supporter of the 2nd Amendment and the holder of an A rating from the National Rifle Association, I have consistently supported and approved laws that preserve and strengthen an individual's constitutional right to bear arms. This legislation does nothing to enhance 2nd Amendment protections and its unintended consequences are more likely to produce benefits for criminals in Oklahoma and potentially disastrous results for the state's law enforcement officers and law-abiding citizens. By exempting Oklahoma-manufactured guns and ammunitions from federal law, this measure would enable criminals to obtain a wide array of weaponry, including fully automatic machine guns, without undergoing a simple criminal background check or meeting other basic federal requirements. Oklahoma would likely become a safe haven for domestic and international offenders seeking to elude federal gun safeguards and

obtain weapons of all kinds. In the final analysis, this legislation would endanger law enforcement officers and citizens without doing anything to strengthen an individual's right to bear arms. Furthermore, because there is no way to ensure Oklahoma-manufactured weapons will remain in the state, this legislation violates the interstate commerce clause and is unconstitutional. Any state effort to selectively ignore federal laws will certainly draw a legal challenge and result in a costly court battle that the state cannot win.

HB 3032 would have created the Energy Revenue Stabilization Fund within the State Treasury and the Enhanced Energy Recovery Fund. Monies from the Enhanced Energy Recovery fund were to be used for studies and projects conducive to the development of energy resources in the state.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 3032. The concept of an Energy Stabilization Fund has merit, but in the rush to pass this legislation in the final hours of session, numerous technical errors were made in the construction of HB 3032, making it difficult if not impossible to implement in its current form. The next Legislature should revisit this concept and carefully draft legislation that can be implemented without question or concern.

HB 3161 would have prohibited children from being used in any lottery advertisement or promotion, and required any claim of benefit in the advertisement of the lottery to be substantiated by actual expenditures of revenue.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 3161. Although Oklahomans voted overwhelmingly in 2004 to establish a state lottery for public education, opponents have continued to campaign against it with the help of the Oklahoma Legislature. Proposals to boost lottery proceeds for education have routinely been ignored at the State Capitol while measures that would hinder the administration of the program have been advanced. HB 3161, for example, would prohibit lottery advertising campaigns from featuring the very students who benefit from the program. This mandate would effectively kill an ongoing and successful promotional effort and waste the time and money invested in it. The greater impact of this legislation would be to further tie the hands of the Lottery Commission and impede its efforts to effectively and efficiently administer a program created and sanctioned by voters to raise funds for public education. During its short history, the lottery has generated more than \$330 million for schools, keeping at home Oklahoma dollars that had previously been spent on other states' lotteries and education systems. Lawmakers should respect the wishes of voters and work to enhance the lottery, not pass legislation that hinders its operations and reduces funding for public school students in the process.

HB 3290 would have prohibited insurance providers from offering coverage for elective abortions. However, a person would have been able to purchase supplemental coverage for elective abortions.

Governor's veto message

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 3290. While I support reasonable restrictions on abortion, this legislation creates onerous and unconstitutional health insurance restrictions, particularly for rape and incest victims. By requiring these victims and other women to prospectively purchase separate and special abortion insurance before a pregnancy occurs, HB 3290 unfairly and punitively limits the health options of these individuals. Under this legislation, if a rape victim did not report her assault to law enforcement within 48 hours and later decided to seek an abortion, it would be declared an elective procedure and the individual would be required to have previously purchased special insurance. If an incest victim did not report her assault to the police in the time period specified by this legislation, she too would be denied coverage unless she had the clairvoyant foresight to purchase special insurance before the crime against her was committed. Rape and incest victims should be treated with dignity and respect, not subjected to a state-imposed Catch-22 that denies them insurance coverage at such a critical time. HB 3290 creates an unconstitutional barrier to legal medical treatment protected by this nation's highest court and would result in an expensive lawsuit and potentially futile legal battle for the state if it becomes law.

HB 3338 would have prohibited the state fire marshal from engaging in any business that might have been a conflict of interest with agency business. The measure also would have removed the cap on the State Fire Marshal Revolving Fund.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 3338. This legislation would authorize a top state officer, the fire marshal, to solicit and receive compensation for another job or task performed outside his or her state duties, an arrangement currently prohibited under state law. The first and foremost responsibility of a state officer is to uphold the Oklahoma Constitution and serve the citizens of this state. This responsibility could be compromised if a state officer must answer to another authority outside of state government.

HB 3354 would have allowed persons licensed to carry concealed weapons under the Self Defense Act to carry weapons open and unconcealed.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 3354. As a strong supporter of the 2nd Amendment and the

holder of an A rating from the National Rifle Association, I have consistently supported and approved legislation that preserves and strengthens an individual's constitutional right to bear arms. However, House Bill 3354 does nothing to enhance 2nd Amendment protections and could ultimately endanger public citizens and law enforcement officers. State law already authorizes appropriately trained and licensed citizens to carry concealed firearms for their protection and there is no compelling safety reason or 2nd amendment argument to expand the existing statute. On the contrary, law enforcement officials have raised concerns about the unintended consequences of citizens openly brandishing weapons in public places and have said such a law would make their jobs more difficult and dangerous. Instead of making our streets safer, HB 3354 could ultimately make them more hazardous. The legislation could also damage Oklahoma's image as a safe, friendly state with a great quality of life, making it less attractive to new business and industry and negatively impacting future prosperity.

HJR 1054 would have prohibited any law or regulation requiring any Oklahoma resident to have individual insurance coverage and declared that no law or regulation would hold any Oklahoman liable for any penalty, fee or fine for not having health insurance. It would have authorized an individual or an employer to pay for health care services and prohibited either from being required to pay any penalty or fine for direct pay. It would have authorized the president pro tempore of the Senate and the speaker of the House to hire legal counsel to file a lawsuit to prevent the recently passed federal health care legislation from taking effect.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Joint Resolution 1054. By directing Oklahoma to file one lawsuit and take other actions that will result in another being filed against the state, HJR 1054 exposes Oklahoma taxpayers to costly and unnecessary legal bills at a time when they can least afford them. First, there is no need for Oklahoma to join a costly pending legal battle over federal health care reform when other states have already taken the actions necessary to put the issue before the courts. Oklahoma's participation will not increase the chances of success and will simply cost the state much-needed resources during a historic budget crisis. Second, by essentially stating that Oklahoma will not abide by new federal health care laws, HJR 1054 invites legal action against the state in a case it cannot win. No state has the authority to selectively ignore federal laws of its choosing, and any attempt to do so will be ruled unconstitutional by the courts, but not before a costly legal battle. Finally, this measure could jeopardize future federal funding for critical health care programs on which many Oklahomans currently rely. In the final analysis, HJR 1054 will not affect the administration of federal health care reform or assist supporters or opponents of the federal legislation. It will simply trigger an exercise in legal futility that results in a hefty bill for Oklahoma taxpayers and the potential loss of federal funding for important health care programs currently in place.

SB 738 would have required legislative approval before closing any satellite location of the Office of the Chief Medical Examiner and provided minimum qualifications for the chief administrative officer. It also would have allowed the chief administrative officer to hire a transition coordinator to oversee the moving of the office to Edmond from Oklahoma City.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 738. This legislation contains many important reforms and efficiencies, but it is fatally flawed because of one provision. SB 738 creates a new, duplicative and unnecessary position, agency transition coordinator, at the salary of \$80,000, but does not justify the need for the post. At a time when the state has been forced to cut many important programs and services, the creation of such a position cannot be justified or supported. Because SB 738 contains many other positive provisions to help make the Office of the Chief Medical Examiner more efficient and effective, I will urge the agency's governing board to administratively implement as many of those proposals as possible until the matters can be addressed in statute by the next Legislature.

SB 828 proposed to define public utility as every corporation, association, company, individuals, their trustee, lessee, receiver, successor or assign that own, operate, or manage any plant or equipment for the transmission of electricity that is subject to regulation by the Federal Energy Regulatory Commission.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 828. This bill is not in the best interest of Oklahomans, particularly landowners. It essentially makes it easier for out-of-state companies, including non-public utility companies that contract with a public utility, to have eminent domain rights over the lands of Oklahomans. This is a major policy shift that will cost property owners in Oklahoma. It requires extensive study and deliberation and should not be enacted in the final days of the legislative session.

SB 1073 would have amended several aspects of civil procedure. The prevailing party would be allowed a reasonable attorney fee to be set by the court, taxed, and collected as costs in any civil action to recover unpaid fees, fines, costs, etc, owed to the state or its agencies. A noncontinuing earnings garnishment would be suspended or modified by the judgment creditor upon agreement with the judgment debtor. It would have required a judge, at any time after a final judgment, order, or decree was filed on application of the judgment creditor, to issue an order authorizing the Oklahoma Employment Security Commission to release to the judgment creditor any employment information maintained by the commission concerning the judgment debtor if such authority was not granted in the judgment.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1073. This legislation could trigger unintended consequences jeopardizing federal tax credits for Oklahoma employers. Additional study is needed before such a proposal could be enacted into law.

Appendix 5 - Summary of Vetoes for the 2010 Legislative Session

SB 1342 would have exempted county treasurers also serving as school district treasurers from continuing education required of school district treasurers.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1342. Citizens expect and demand that taxpayer dollars be used wisely, efficiently and effectively. Accordingly, proper training and accountability in the administration of public funding, particularly dollars earmarked to benefit schoolchildren, is essential to foster and maintain public trust. Senate Bill 1342 could impair accountability and undermine public trust by eliminating important training requirements for government officials sworn to administer and protect school funds. Given the complexities of school finance, undergoing 12 hours of specialized training once every three years is not onerous for any public official, and retaining the requirement would be in the best interest of the people of Oklahoma.

SB 1354 proposed to raise the minimum age limit for commissioned officer positions with in the Oklahoma Highway Patrol from 21 to 23 years of age and the maximum age limit from 43 years of age to 46 years of age.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1354 because it is duplicative of HB 2325. All of the language in this bill is contained in HB 2325, which I have signed. Therefore, signing this bill would create duplicate sections of law and cause an unnecessary and unwise waste to taxpayer dollars to later fix.

SB 1589 proposed to create a subclass of wireless telecommunications property for central assessment of ad valorem tax. The measure would have reduced the ad valorem levy to 12 percent for new investments of the property beginning with tax year 2010.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1589. Ad valorem revenues are a critical funding source for public education and county governments, and significant changes to state laws governing property tax assessment policies require in-depth study and deliberation. A new state statute has authorized the creation of a task force to review such issues and help determine future policies on this complex and difficult question. It would be more appropriate for this task force and affected stakeholders to thoroughly research and debate the changes proposed in SB 1589 to determine if they are in the best interest of the state and should be enacted into law. Furthermore, during my tenure as governor, I have placed the highest priority on the advancement of public education and have done my best to direct the necessary resources for success to teachers, students and classrooms. Quality education remains the single most important issue in our continuing efforts

to ensure future prosperity for our state and its people, and I cannot in good conscience support any initiative that potentially detracts from this goal.

SB 1668 would have allowed municipal power authorities to acquire nuclear power plants or purchase electricity generated by nuclear power plants.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1668. Oklahoma should do everything it can to promote the use of alternative energies, particularly homegrown fuels such as natural gas, wind power and biofuels, but it must also be careful in the type of activity it encourages in state law. While nuclear power may hold great promise for Oklahoma in the future, there are still many unanswered questions about its impact on the state energy market and its consumers. Section 2 of this legislation would authorize actions that could serve as incentives for the construction of a nuclear power plant. It would be more appropriate for the state to conduct an intensive study of nuclear power and such incentives before it proceeds any further.

SB 1685 would have created the Firearms Freedom Act declaring Oklahoma's rights under the 2nd, 9th and 10th Amendments to the U.S. Constitution to be free from undo regulation of firearms, firearms accessories and ammunition by the federal government when the firearms, firearms accessories and ammunition is manufactured in Oklahoma and the product remains in Oklahoma. It would have required firearms manufactured in Oklahoma to be stamped "Made in Oklahoma". It would have required the Department of Commerce to collaborate with a higher education institution to attract a firearms manufacturer to Oklahoma.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1685. As a strong supporter of the 2nd Amendment and the holder of an A rating from the National Rifle Association, I have consistently supported and approved legislation that preserves and strengthens an individual's constitutional right to bear arms. Senate Bill 1685 does nothing to enhance 2nd Amendment protections and its unintended consequences are more likely to produce benefits for criminals in Oklahoma and potentially disastrous results for the state's law enforcement officers and law-abiding citizens. By exempting Oklahoma-manufactured guns and ammunitions from federal law, SB 1685 would enable criminals to obtain a wide array of weaponry, including fully automatic machine guns, without undergoing a simple criminal background check or meeting other basic federal requirements. Oklahoma would likely become a safe haven for domestic and international offenders seeking to elude federal gun safeguards and obtain weapons of all kinds. In the final analysis, SB 1685 would endanger law enforcement officers and citizens without doing anything to strengthen an individual's right to bear arms. Furthermore, because there is no way to ensure Oklahoma-manufactured weapons will remain in the state, this legislation violates the interstate commerce clause and is unconstitutional. Any state effort to selectively ignore federal laws will certainly draw a legal challenge and result in a costly court battle that the state cannot win.

Appendix 5 - Summary of Vetoes for the 2010 Legislative Session

SB 1686 would have modified the time period for pre-lien notices and increased the amount of aggregate claims for exempted claimants to \$10,000. It would have repealed sections about mechanics and materialmen's liens regarding the written notice to owner, person who is not the original contractor, and what satisfies the written notice requirement.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1686. This legislation erodes homeowners' rights by increasing the aggregate claim amount required for pre-lien notices from \$2,500 to \$10,000. Senate Bill 1686 also repeals the state law that requires contractors to provide notice to homeowners about the lien process, eliminating an important safeguard for these consumers.

SB 1903 proposed creating the Oklahoma Home Service Contract Act which would have required home service contract providers to register with the insurance commissioner and be subject to Insurance Department examinations.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1903. One of government's many important roles is to protect consumers, particularly senior citizens, from disreputable or deceptive business practices. Senate Bill 1903 would essentially deregulate the home service warranty industry in Oklahoma, repealing oversight functions currently performed by the State Insurance Department and allowing companies to operate in the state with little more than a registration requirement. While there are many reputable home service warranty companies doing business in Oklahoma, there is no compelling reason to deregulate the industry and reduce consumer protections.

SB 1960 proposed creating the Aircraft Pilot and Passenger Protection Act to regulate the height of structures near public-use airports and would have established misdemeanor crime punishable by a fine of \$500 for failure to obtain permit.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1960 because it is duplicative of HB 2919. All of the language in this bill is contained in HB 2919, which I have signed. Therefore, signing this bill would create duplicate sections of law and cause an unnecessary and unwise waste to taxpayer dollars to later fix.

SB 1961 would have required that a cause of action for employment based on discrimination only have standing in court if the cause of action is filed by the aggrieved party within 300 days from the last date of alleged discrimination.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 1961. This legislation would impair the Human Rights Commission in its efforts to amicably resolve employment-related disputes and protect employees who have legitimate discrimination claims. Among other things, SB 1961 eliminates the commission's ability to conduct administrative hearings on employment discrimination and triggers unintended consequences that could force more unnecessary litigation and jeopardize the agency's federal funding.

SB 2008 would have amended the procedure for ballot title review of constitutional amendments or statutory changes proposed by the legislature for submission to a vote of the people. The measure would have authorized the president pro tempore or speaker to submit a proposed ballot title to the attorney general for review for legal correctness within 15 days prior to the final passage of a bill. Within five days, the attorney general would have had to notify the applicable leader in writing whether the ballot title complied, including any defects found. The attorney general would then prepare a substitute ballot title within five business days of the applicable leader's request. The leaders could instead choose to revise the ballot title to correct defects and resubmit to the attorney general for further review. The attorney general would then certify the ballot if it complied with law.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 2008. To ensure that voters have the best possible information to make a decision, it is critical to have a clear, concise and unbiased ballot title in the consideration of a state question. At a time when the Oklahoma Legislature is submitting more and more questions to voters for their decisions, the ballot title has become even more important. For many years, an entity independent of the legislative process, the attorney general's office, has effectively and efficiently performed the task of writing ballot titles without the concern or appearance of bias for or against any particular question. By essentially transferring this authority to the legislative leadership, Senate Bill 2008 removes the independent arbiter from this process and allows lawmakers who have already cast a ballot for or against a particular proposal to craft the ballot language that will ultimately help voters decide its fate. This change will undoubtedly lead to the appearance of and possible charges of bias in the ballot title process. Because the current system is functioning appropriately, there is no reason to change it.

SB 2046 would have created the Health Care Choice Act, to increase the availability of health insurance coverage by allowing insurers authorized to offer insurance in other states to issue accident and health policies in Oklahoma.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to

me, I have VETOED Senate Bill 2046. Senate Bill 2046 would enact a major policy change with regard to health insurance regulations by allowing out-of-state companies, unlicensed in Oklahoma, to sell policies in this state. Some contend consumers would benefit from shopping for health coverage in other states, but consumer advocates have raised legitimate concerns to the contrary. For example, they say it would be easier for companies to cherry-pick low-risk customers that are more profitable to their bottom line while denying or pricing out of coverage higher risk groups. Firms could also establish their headquarters in states with the fewest regulations and mandated treatments, resulting in fewer consumer protections and less effective coverage. Policyholders who had complaints or concerns about their coverage would have little regulatory recourse in holding their insurer accountable and would ultimately be harmed by such an arrangement. While federal health care reform might provide future safeguards to protect consumers in such scenarios, those protections are still several years away. Accordingly, this legislation could prove costly to and is not in the best interest of Oklahoma consumers at this time, and such a major policy shift requires extensive study and deliberation and should not be enacted with little discussion in the final days of the legislative session.

SB 2052 would have created the Oklahoma Health and Wellness Board and abolished the State and Education Employees Group Insurance Board (OSEEGIB) and the Oklahoma Employees Benefits Council (EBC). The measure would have required a winner-take-all bidding process for a statewide HMO, through the competitive bid process. Other cost saving measures included benchmarking the state employee benefit allowance at the current amount and indexing future allowances at the cost of the basic PPO plan, relying on the greater of the two amounts for future annual allowances. New state and education employees would have been required to use any excess benefit allowance for a health savings account (HSA), flexible spending account (FSA), SoonerSave or Section 125 plan. For state employees, any excess benefit allowance from any future increase would be used for a HSA, FSA, or SoonerSave account. The new Oklahoma Health and Wellness Board would have been required to show a 15 percent annual cost savings.

Governor's veto message:

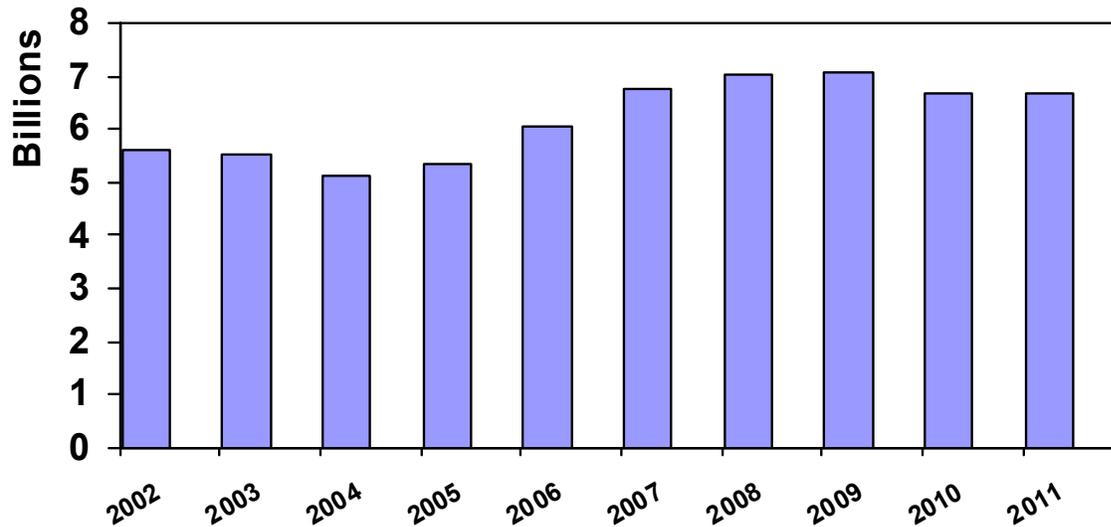
This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 2052. Senate Bill 2052 seeks to implement a major, complex policy shift in the administration and operation of the state's health insurance and benefits program for teachers and state employees. Despite the scope of the proposed changes, the final draft of this 289-page bill was not revealed to state legislators or other stakeholders until the final hours of the legislative session. While supporters' goals of an improved system and more manageable costs are laudable and desirable, there is no supporting evidence to confirm that SB 2052 would accomplish those goals and there are legitimate concerns that it might actually create a less responsive system with less manageable costs. For such a sweeping policy change to be enacted into law, it must be thoroughly researched and debated throughout the four-month session with all stakeholders at the table, not unveiled and passed in the hectic and often chaotic final moments before adjournment.

SB 2163 proposed creating the Health Care Indemnity Trust Fund and its board of trustees.

Governor's veto message:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 and 12 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED Senate Bill 2163. While I support and signed into law the 2009 tort reform bill and the provision establishing a health care indemnity fund, this legislation is not consistent with the agreement that created the original reform measure, is not in the best interest of the state of Oklahoma and its citizens and is constitutionally flawed. Specifically, paragraph E of Section 1 of the bill authorizes legislative leaders and the attorney general to personally intervene and present evidence in cases involving the indemnity fund, thereby unfairly tipping the scales of justice against the average citizen who is on the opposing side of the case. Under the U.S. Constitution, every person is guaranteed equal treatment under the law, and nowhere is that treatment more important than in our justice system. This legislation is unfair to the citizens of this state and unconstitutional under the laws of the land.

Appendix 6 Appropriation History 2002-2011



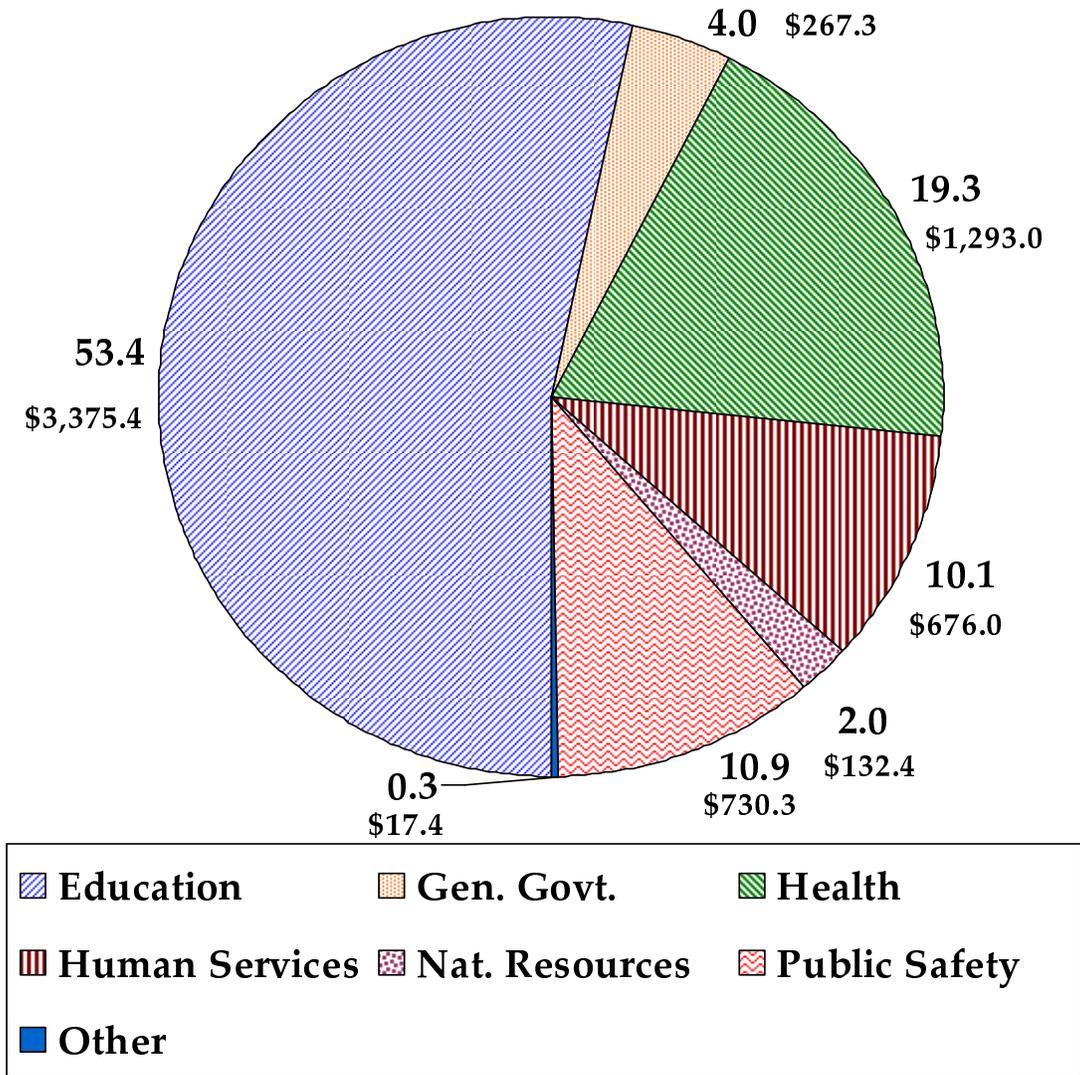
FY-2002	\$5,611,514,760	FY-2007	\$6,738,268,544
FY-2003 (Orig.)	\$5,532,095,223	FY-2008	\$7,048,169,281
FY-2004	\$5,106,597,024	FY-2009	\$7,089,333,227
FY-2005	\$5,358,101,676	FY-2010	\$6,999,468,194
FY-2006	\$6,038,003,816	FY-2011	\$6,691,837,225

Notes:

1. These figures include appropriations, pension systems, capital and special projects. Figures exclude supplemental appropriations.
2. Totals also include the Tobacco Settlement Revolving Fund, the Common Education Technology Revolving Fund, the Education Reform Revolving Fund, the Board of Private Vocational Schools Revolving Fund, the Higher Education Scholarship Revolving Fund, the Higher Education Capital Revolving Fund, the Judicial Revolving Fund and the State Transportation Fund.
3. FY-2010 totals include \$461.7 million in federal American Reinvestment and Recovery Act (ARRA) federal stimulus funds. State appropriations totaled \$6,595,361,466.
4. FY-2010 totals were adjusted because of the revenue shortfall. The previous figure of \$7,236,409,345 was reduced to the level shown in the chart.
5. FY-2011 totals include \$539.1 million in federal stimulus funds and \$272.9 million from the Constitutional Reserve Fund (Rainy Day Fund). State appropriations totaled \$5,879.8 billion.

Source: House Fiscal Division

Appendix 7 Distribution of FY-2011 Appropriations by Subcommittee



Total Appropriations = \$6,691,837,225

Excludes supplemental appropriations and reappropriations.
Includes American Reinvestment and Recovery Act (ARRA) federal stimulus funds, monies from the Constitutional Reserve Fund (Rainy Day Fund), capital, and onetime expenditures.

Source: House Fiscal Division

Appendix 8

Synopsis of the 2010 State Questions

The following eleven state questions will be placed on the ballot for the next general election occurring November 2, 2010:

State Question 744—Education Budget Initiative

This measure repeals a section of the state constitution. The repealed section required the Legislature annually to spend \$42.00 for each common school student. Common schools offer prekindergarten through twelfth grade.

The measure also adds a new article to the constitution. It sets a minimum average amount the state must annually spend on common schools. It requires the state spend annually no less than the average amount spent on each student by the surrounding states. Those surrounding states are Missouri, Texas, Kansas, Arkansas, Colorado and New Mexico. When the average amount spent by surrounding states declines, Oklahoma must spend the amount it spent the year before.

The measure deals with money spent on day-to-day operations of the schools and school districts. This includes spending on instructions, support services and noninstruction services. The measure does not deal with money spent to pay debt, on buildings, or on other capital needs.

The measure requires that increased spending begin in the first fiscal year after its passage. It requires that the surrounding state average be met in the third fiscal year after passage.

The measure does not raise taxes, nor does it provide new funding for the new spending requirements.

State Question 746—Voter Identification (SB 692)

This measure amends statutes relating to voting requirements. It requires that each person appearing to vote present a document proving their identity. The document must meet the following requirements. It must have the name and photograph of the voter. It must have been issued by the federal, state or tribal government. It must have an expiration date that is after the date of the election. No expiration date would be required on certain identity cards issued to persons 65 years of age or older.

In lieu of such a document, voters could present voter identification cards issued by the county election board.

A person who cannot or does not present the required identification may sign a sworn statement and cast a provisional ballot. Swearing to a false statement would be a felony. These proof-of-identity requirements also apply to in-person absentee voting. If adopted by the people, the measure would become effective July 1, 2011.

State Question 747—Term Limits (SJR 12)

This measure amends sections 4 and 23 of articles 6 and Section 15 of Article 9 of the State Constitution. It limits the ability of voters to reelect statewide elected officers by limiting how many years those officers can serve. It limits the number of years a person may serve in each statewide elected office. Service as governor is limited to eight years. Service as lieutenant governor is limited to eight years. Service as attorney general is limited to eight years. Service as treasurer is limited to eight years. Service as commissioner of labor is limited to eight years. Service as auditor and inspector is limited to eight years. Service as superintendent of public instruction is limited to eight years. Service as insurance commissioner is limited to eight years. Service as a corporation commissioner is limited to 12 years.

Service for less than a full term would not count against the limit on service. Years of service need not be consecutive for the limits to apply.

Officers serving when this measure is passed can complete their terms. All such serving officers, except the governor, can also serve an additional 8 or 12 years.

State Question 748—Legislative Apportionment (SJR 25)

This measure amends Sections 11A and 11B of Article 5 of the Oklahoma Constitution. These provisions deal with how the Legislature is divided into districts. This process is known as apportionment. The Legislature must make an apportionment after each ten-year federal census. If the Legislature fails to act, an Apportionment Commission must do so. The measure changes the name of this commission. It removes all three existing commission members. It removes the attorney general. It removes the superintendent of public instruction. It also removes the state treasurer.

The measure increases the number of members from three to seven. The president pro tempore of the Senate appoints one Democrat and one Republican. The speaker of the House of Representatives appoints one Democrat and one Republican. The governor appoints one Democrat and one Republican.

The measure provides that the lieutenant governor chairs the commission and is a nonvoting member. It requires orders of apportionment to be signed by at least four members of the commission.

State Question 750—Petition Signatures (SJR 13)

This measure amends a section of the Oklahoma Constitution. The section deals with initiative petitions. It also deals with referendum petitions. It deals with how many signatures are required on such petitions. It changes that requirement.

“Initiative” is the right to propose laws and constitutional amendments. “Referendum” is the right to reject a law passed by the Legislature.

The following voter signature requirements apply:

- 8 percent must sign to propose a law;
- 15 percent must sign to propose to change the state constitution; and
- 5 percent must sign to order a referendum.

These percentages are based upon the state office receiving the most total votes at the last general election. The measure changes this basis. The measure’s basis uses every other general election. General elections are held every two years. The governor is on the ballot every four years. The measure’s basis only uses general elections with the governor on the ballot.

The President is on the ballot in intervening general elections. The measure’s basis does not use general elections with the President on the ballot.

More votes are usually cast at presidential general elections. Thus, the measure would generally have a lowering effect on the number of required signatures.

State Question 751—English Language (HJR 1042)

This measure amends the Oklahoma Constitution. It adds a new article to the constitution. That article deals with the state’s official actions. It dictates the language to be used in taking official state action. It requires that official state actions be in English. Native American languages could also be used. When federal law requires, other languages could also be used.

These language requirements apply to the state’s “official actions.” The term “official actions” is not defined. The Legislature could pass laws determining the application of the language requirements. The Legislature would also pass laws implementing and enforcing the language requirements.

No lawsuit based on state law could be brought on the basis of a state agency’s failure to use a language other than English. Nor could such a lawsuit be brought against political subdivisions of the state.

State Question 752—Judicial Nominating Commission (SJR 27)

This measure amends a section of the Oklahoma Constitution. It amends Section 3 of Article 7-B. The measure deals with the Judicial Nominating Commission. This commission selects nominees to be appointed judges or justices, when a vacancy occurs. The commission selects three, sometimes four, qualified nominees. The governor must appoint one of the nominees.

The amendment adds two at-large members to the commission. At-large members can come from any Oklahoma Congressional District. The Senate president pro tempore appoints one of the new at-large members. The speaker of the House of Representatives appoints the other. At-large members cannot be lawyers, nor can they have a lawyer in their immediate family, nor can more than two at-large members be from the same political party.

Six non-at-large members are appointed by the governor. They cannot be Oklahoma lawyers. The measure adds a new qualification for non-lawyer members. They cannot have a lawyer from any state in their immediate family. Each congressional district must have at least one non-lawyer member.

Six lawyer members are elected by members of the Oklahoma Bar Association. Each congressional district must have at least one lawyer member.

State Question 754—Budgetary Decision Making (HJR 1014)

This measure adds a new section to the Oklahoma Constitution. It adds Section 55A to Article 5. The Legislature designates amounts of money to be used for certain functions. These designations are called appropriations. The measure deals with the appropriation process.

The measure limits how the constitution could control that process. Under the measure the constitution could not require the Legislature to fund state functions based on:

1. Predetermined constitutional formulas;
2. How much other states spend on a function; or
3. How much any entity spends on a function.

Under the measure these limits on the constitution's power to control appropriations would apply even if:

1. A later constitutional amendment changed the constitution; or
2. A constitutional amendment to the contrary was passed at the same time as this measure.

Thus, under the measure, once adopted, the measure could not be effectively amended; nor could it be repealed.

State Question 755—Courts (HJR 1056)

This measure amends the Oklahoma Constitution. It would change a section that deals with the courts of this state. It would make courts rely on federal and state laws when deciding cases. It would forbid courts from looking at international law or Sharia Law when deciding cases.

State Question 756—Health Care System (SJR 59)

This measure adds a new section of law to the Oklahoma Constitution. It adds Section 37 to Article 2. It defines *health care system*. It prohibits making a person participate in a health care system. It prohibits making an employer participate in a health care system. It prohibits making a health care provider provide treatment in a health care system. It allows persons and employees to pay for treatment directly. It allows a health care provider to accept payment for treatment directly. It allows the purchase of health care insurance in private health care systems. It allows the sale of health insurance in private health care systems.

The measure's effect is limited. It would not affect any law or rule in effect as of January 1, 2010.

Nor could the measure affect or negate all federal laws or rules. The U.S. Constitution has a Supremacy Clause. That clause makes federal law the supreme law of the land. Under that clause Congress has the power to preempt state law. When Congress intends to preempt state law, federal law controls. When Congress intends it, constitutionally enacted federal law would preempt some or all of the proposed measure.

State Question 757—Constitutional Reserve Fund (SJR 51)

This measure amends the Oklahoma Constitution. It amends Section 23 of Article 10. It increases the amount of surplus revenue which goes into a special fund. That fund is the Constitutional Reserve Fund. The amount would go from 10 percent to 15 percent of the funds certified as going to the General Revenue Fund for the preceding fiscal year.

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