

OKLAHOMA STATE SENATE



2002 LEGISLATIVE SUMMARY AND FY'03 BUDGET REVIEW

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FOREWORD

This report is a compilation of two reports that have traditionally been published separately. The purpose is to show a comprehensive picture of the Senate's actions and accomplishments during the session by grouping substantive and funding measures together and summarizing all enacted measures. We hope we have been successful. If you have comments or questions, please contact Connie Irby, Staff Director at 521-5780.

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SESSION OVERVIEW

The 2nd Session of the 48th Legislature convened on Monday, February 4, 2002. During the session, the Senate introduced 870 bills and 15 joint resolutions and the House introduced 959 bills and 30 joint resolutions for a combined total of 1874 measures. An additional 1217 bills and joint resolutions, carried over from the 1st Session, were available for consideration. The Legislature passed and enrolled 536 of these measures of which 498 bills and 1 joint resolution were approved by the Governor, 4 became law without the Governor's signature, 29 were vetoed, 5 line items were vetoed, and 1 bill and 3 joint resolutions were filed with the Secretary of State for referral to a vote of the people. The Legislature also considered 155 simple and concurrent resolutions that do not have the force and effect of law.

The Governor sent to the Senate for confirmation 197 Executive Nominations to various boards and commissions. The Senate confirmed 185 of these Executive Nominations.

Budget cuts to address revenue shortfalls for the current and coming fiscal years dominated the 2002 session. Other topics that received considerable study and attention were homeland security and tax reform. The task of redrawing six congressional districts into five created additional underlying tension as the Legislature worked on substantive and budget issues. Although the Legislature was not able to agree upon tax reform and redistricting measures, other significant legislation was enacted which is summarized in this document.

As the Senate adjourned, it said farewell to 5 of its members who will not be running for reelection: Senators Grover Campbell, Brooks Douglass, E. Kelly Haney, Billy Mickle, and Paul Muegge. The Senate also mourned the loss and celebrated the life of Senator Larry Dickerson who passed away on March 7, 2002. The contributions of these members to the Senate and this state will be remembered and their leadership will be missed.

This document provides a brief summary of all measures enacted this session or referred to a vote of the people and an overview of the budget approved for the coming fiscal year.

APPROPRIATION OVERVIEW

For the first time since the mid-1980s, the Legislature faced revenue shortfalls in both the current fiscal year (FY'02) and succeeding fiscal year (FY'03).

For FY'02 the Office of State Finance estimated that state revenue would experience an annual shortfall of \$309 million. This equates to a 3.9 percent (\$140

million) agency appropriation reduction (as of May 2002).

To keep agency appropriations in-line with monthly revenue collections the Office of State Finance reduced agency appropriation allocations. Monthly allocations were reduced as follows:

- ◆ March and April - 6.6%
- ◆ May and June - 16.8%

To manage the monthly allocation reductions agencies used carry-over funds, unfilled FTE vacancies, and employee attrition. Many agencies are also predicting the need for FTE furloughs in the month of June.

For FY'03 the State Board of Equalization certified \$350.3 million less revenue than what was certified for FY'02.

To offset the FY'03 shortfall the Legislature implemented several budgetary actions. These actions included:

- ◆ Using the Governor's Emergency Declaration to access \$170.3 million from the Constitutional Reserve Fund (Rainy Day Fund) for government operations;
- ◆ Accessing \$98.2 million from the Rainy Day Fund made available through a provision in the State Constitution that allows an amount equal to the general revenue shortfall be appropriated by the Legislature for the succeeding fiscal year;
- ◆ Removing \$21.5 million from agency budgets that were used for one-time expenditures in FY'02;
- ◆ Removing \$97.6 million appropriated in FY'01 for agency supplementals;
- ◆ Reducing agencies' appropriations by an average of 5 percent for FY'03. Several agencies received reductions of 1.6 percent or lower. These agencies included:
 - ✓ Common Education, Higher Education and Career and Technology Education
 - ✓ Oklahoma Health Care Authority, Department of Human Services, Department of Rehabilitation Services and Department of Mental Health and Substance Abuse Services
 - ✓ The Court of Criminal Appeals, the District Courts, the Supreme Court, and the Workers' Compensation Court

- ✓ The table below summarizes FY'03 budget actions by program areas. For a detailed list of reductions see the Agency Appropriation Table on pages 14 and 15.

Comparison of Funding for Major Program Areas FY'02-FY'03 (in millions)				
	FY'02	FY'03	Change	
	Approp.	Approp.	\$	%
Education	2,977.4	3,068.6	91.2	3.1
Gen. Gov./Trans.	487.3	427.3	-60.0	-12.3
Health/Soc. Serv.	714.7	728.9	14.2	2.0
Human Services	532.3	542.0	9.7	1.8
Natural Resources	127.0	118.2	-8.8	-7.0
Public Safety	620.4	608.8	-11.6	-1.9
Gov. Emerg. Fund	10.1	5.5	-4.5	-45.5
REAP	15.5	15.2	-0.2	-1.6
Total	5,485.0	5,514.8	29.8	0.5

Using the above budget actions and the measures outlined in the next section, the state appropriated budget for FY'03 is \$5,514.8 million, \$29.8 million more than the FY'02 budget (calculated with supplementals and Rainy Day Fund appropriations).

REVENUE MEASURES

In addition to implementing budget reductions, the Legislature passed several revenue measures which also helped offset the FY'03 shortfall. These measures included:

- ◆ SB 1448 includes provisions creating a tax amnesty program, from August 15, 2002, through November 15, 2002, during which penalties and one-half interest on delinquent taxes will be waived. The program excludes ad valorem taxes, motor vehicle excise taxes and taxes other than those collected by the Tax Commission;
- ◆ SB 1415 includes provisions requiring 80 percent of bonus depreciation claimed under the federal Job Creation and Worker Assistance Act of 2002 (a.k.a. the federal stimulus bill) by corporations and fiduciaries to be added back in on Oklahoma state income tax returns. The amount added back may be claimed on the next four years' income tax returns (25 percent each year). This will result in additional projected collections for FY'03 of \$23.474 million and for FY'04 of \$6.013 million; and
- ◆ In addition to making various other changes relating to workers' compensation, HB 2752 repeals the income tax credit for additional workers' compensation assessments passed last year and instead provides for a rebate of two-thirds of

the amount of the assessment actually paid, for assessments due after January 15, 2002. Applications for rebates may be made from January 1 to May 31 for the previous year, and rebates may not be paid until after July 1 of each year.

FY'02 SUPPLEMENTAL FUNDING

Department of Corrections

The Department of Corrections (DOC) received two supplemental appropriations to address budget shortfalls and operation overruns for FY'02. The agency received supplemental funding of approximately \$9.8 million in HB 2567 to cover the cost of private contract beds.

The agency also used \$1.5 million of its own funds to offset the FY'02 shortfall:

- ◆ \$700,000 from DOC's Agri-Services and Industries revolving fund for private contract beds;
- ◆ \$300,000 from DOC's Canteen fund for health services; and
- ◆ \$500,000 was reduced from the DOC equipment replacement budget and utilized for health services.

In May, the agency was appropriated another \$5.2 million in HB 2568. These funds were used to offset the \$6.6 million budget reduction implemented by the Office of State Finance.

The Oklahoma Health Care Authority

For FY'02, the Health Care Authority received three supplemental appropriations to offset budget shortfalls and cost overruns. The first supplemental was provided in April 2002 in HB 2500 for \$15,598,947. An additional \$5,701,053 worth of program cuts and rate reductions were approved to cover the agencies anticipated \$21,300,000 FY'02 shortfall. The shortfall was due to an increase in enrollment, an increase in service utilization and an increase in prescription drug costs.

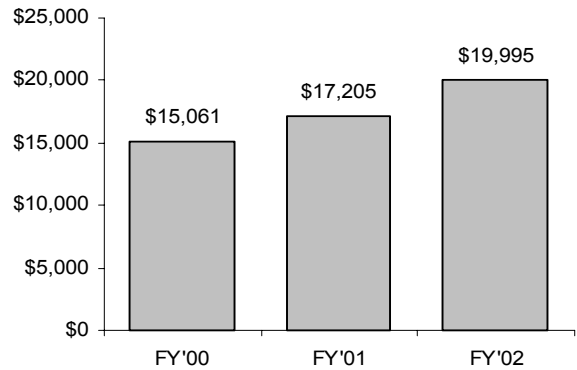
1. Enrollment in the SoonerCare program increased from 301,589 in July 2001 to 332,465 in April 2002. This was an average increase of 10 percent or 3,430 individuals per month. The SoonerCare portion of the shortfall was approximately \$5,700,000.

FY'02 Supplementals		
	Amount	Bill No.
Department of Corrections		
General Operations	\$9,824,314	HB 2567
General Operations	\$5,175,686	HB 2568
General Operations	\$15,000,000	HB 2587
	\$30,000,000	
Oklahoma Health Care Authority		
Benefits and Provider Payments	\$15,598,947	HB 2500
Replace Budget Shortfall	\$3,690,794	SB 1036
Replace Budget Shortfall	\$6,500,000	HB 2587
	\$25,789,741	
State Department of Education		
Health Insurance Benefits	\$3,706,086	HB 2587
Replace Decrease in Gross Production Funds	\$6,192,898	HB 2587
National Board Certification	\$170,000	HB 2587
	\$10,068,984	
Higher Education	\$13,385,796	HB 2587
Oklahoma Educational Television Authority	\$400,000	HB 2587
Department of Environmental Quality	\$4,000,000	HB 2587
Department of Labor - Operations	\$300,000	HB 2587
Centennial Commission - Capitol Dome	\$1,250,000	HB 2587
Department of Central Services	\$500,000	HB 2587
Ethics Commission - Operations	\$68,938	HB 2587
Total Appropriated for FY'02 Supplementals	\$85,763,459	

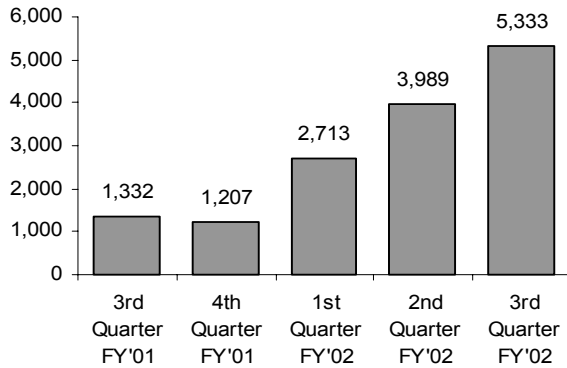
percent, and utilization of dental services increased 18.4 percent. The utilization portion of the shortfall was approximately \$6,300,000.

3. Prescription drug costs for the fee-for-service population also ran over budget. The cost overruns were attributable to three factors. The number of drugs used per month per recipient increased, the average cost per drug increased, and the number of recipients requiring medication increased. The prescription drug portion of the shortfall totaled approximately \$5,500,000.

Average Monthly Cost of Prescription Drugs (in millions)



Average Monthly Growth in Enrollment



The Medicaid program is designed to be counter cyclical with the economy. For every one percentage point increase in unemployment that occurs, Medicaid enrollment can be expected to increase by 2.76 percent. Enrollment in the Medicaid program began to increase dramatically after the events of September 11, 2001 and the national recession that followed.

2. Utilization for many services increased throughout the course of FY'02. Inpatient hospital utilization increased 6.3 percent while outpatient hospital services increased 20 percent. Inpatient behavioral health services increased 23.5

4. The Office of State Finance announced a revenue failure in early February. As a result, all agency budgets were reduced. The budget for the Health Care Authority was reduced by approximately \$3,800,000 at that time.

The Health Care Authority received a second funding appropriation in early May. This supplemental was received after the Office of State Finance announced a second round of budget cuts in April. The Health Care Authority received \$3,690,794 to cover its portion of the cut (SB 1036).

The Health Care Authority was appropriated another \$6,500,000 supplemental appropriation to offset a third round of budget cuts recently announced by the Office of State Finance in May. This funding is provided in HB 2587.

Education

The State Department of Education received a supplemental appropriation of over \$10.8 million for the following purposes:

- ◆ \$170,000 to provide the \$5,000 annual bonus for National Board Certification to 34 teachers;
- ◆ \$3,706,086 for increased staff qualifying for the flexible benefit allowance; and

- ◆ \$6,192,898 to replace a decrease in gross production funds from the Common Education Technology Fund.

Another \$13.38 million was appropriated to the State Regents for Higher Education for FY'02:

- ◆ \$13,385,796 to replace a decrease in gross production funds from the Higher Education Capital Fund and the Higher Education Tuition Scholarship Fund.

The Oklahoma Educational Television Authority received \$400,000 to match \$297,683 in federal funds to replace a transmitter in Eufaula.

Environment

The Legislature provided \$4,000,000 to match federal remediation efforts at the Tar Creek Superfund site. The U.S. Environmental Protection Agency regards Tar Creek as one of the country's most dangerous Superfund sites in terms of human health and the environment. Lead and zinc mining in northeast Oklahoma left hundreds of miles of underground tunnels and millions of tons of hazardous debris.

The Department of Labor

The Legislature appropriated \$300,000 to fulfill the Department of Labor's supplemental request for the Safety Consultation Revolving Fund.

The Centennial Commission

The Centennial Commission received \$1,250,000 to complete the Capitol Dome. To date, the Commission has raised \$17,500,000 in private pledges to match \$5,000,000 in state bonds for the Dome construction project. The additional funding will provide cash reserves that are needed to complete construction while awaiting the sale of the state bonds.

The Department of Central Services

\$500,000 was appropriated to fully fund the renovation of the Jim Thorpe Building plumbing system. The project began in FY'02 with a Rainy Day Fund appropriation of \$981,287.

Ethics Commission

The Legislature appropriated \$68,938 for general agency operations and for the development of new electronic software.

RAINY DAY FUND

As a result of the FY'03 budget shortfall, the Legislature was authorized to utilize \$98.2 million from the Rainy Day Fund to offset the decrease in FY'03 general revenue. This was referred to as the budget stabilization portion of Rainy Day. This portion of the fund may only be spent on expenditures for FY'03.

Of the \$98.2 million appropriated from the Rainy Day Stabilization Fund:

- ◆ \$49,121,478 was directed to the Department of Human Services for FY'03 operations (HB 2501);
- ◆ \$16,121,479 was directed to the Oklahoma Health Care Authority for FY'03 operations (SB 1035); and
- ◆ \$33,000,000 was directed to the State Board of Education for the purchase of textbooks (SB 1002).

Another \$170.3 million from the Rainy Day Fund was appropriated for FY'02 and FY'03 upon the Governor's declaration of an emergency. Of this amount, \$51.4 million was appropriated for supplementals (please see FY'02 Supplementals).

The remaining \$136.1 million (HB 2587) was appropriated to the following agencies:

- ◆ \$3,876,086 to the State Board of Education:
 - ✓ \$3,706,086 to annualize the FY'02 supplemental for the flexible benefit allowance; and
 - ✓ \$170,000 to annualize the FY'02 supplemental for the \$5,000 annual stipend for National Board Certification.
- ◆ \$44.8 million to the State Regents for Higher Education:
 - ✓ \$1.0 million for University of Oklahoma Tulsa;
 - ✓ \$2.5 million for Oklahoma State University-Tulsa; and
 - ✓ \$41.3 million for general operations;
- ◆ \$53.0 million to the Oklahoma Health Care Authority for general operations. Of this amount \$6.5 will be used to balance their FY'02 budget;

Summary of HB 2587 - Rainy Day Appropriations	
<u>FY'02 Supplementals</u>	Amount
Department of Corrections	\$15,000,000
Oklahoma Health Care Authority	\$6,500,000
State Department of Education	
Health Insurance Benefits	\$3,706,086
Replace Decrease in Gross Production Funds	\$6,192,898
National Board Certification	\$170,000
	<hr/>
	\$10,068,984
Higher Education	\$13,385,796
Oklahoma Educational Television Authority	\$400,000
Department of Environmental Quality	\$4,000,000
Department of Labor - Operations	\$300,000
Centennial Commission - Capitol Dome	\$1,250,000
Department of Central Services	\$500,000
Ethics Commission - Operations	\$68,938
	<hr/>
Total Appropriated for FY'02 Supplementals:	\$51,473,718
<u>FY'03 Rainy Day Appropriations</u>	
Health Care Authority	\$46,500,000
State Department of Education	
Annualization of Health Insurance FY'02 Supp.	\$3,706,086
Annualization of National Board Certification	\$170,000
	<hr/>
	\$3,876,086
State Regents for Higher Education	
Institution Allocations	\$41,300,000
OU-Tulsa	\$1,000,000
OSU-Tulsa	\$2,500,000
	<hr/>
	\$44,800,000
Department of Transportation - Debt Service	\$17,151,269
Office of State Finance - Information System	\$1,040,792
Governor's Emergency Fund - Storm Damage	\$5,501,000
	<hr/>
Total FY'03 Rainy Day Appropriations	\$118,869,147
	<hr/>
Total of all Rainy Day Appropriations	\$170,342,865

**AGRICULTURE & RURAL DEVELOPMENT
MEASURES**

SB 909 (Muegge/Leist): Relates to the pesticides and fertilizer codes. This act requires persons to have a valid pesticide applicator's license and requires documents showing the applicator is qualified to conduct aerial operations; requires the State Board of Agriculture to promulgate rules consistent with federal law; authorizes fees and registration or commercial and special fertilizer; states length of registration for both fertilizers; increases fees and requires information for agriculture liming material; increases fees for registration of soil amendment products; and specifies penalties. Effective 7-1-02.

SB 920 (Martin/Roan): Requires any person engaged in the private commercial production of certain aquatic species to procure an aquaculture license from the State Board of Agriculture. This act authorizes the Oklahoma Department of Agriculture, Food, and Forestry to provide technical assistance to persons legally engaged in the private commercial production of such aquatic species, requires certain aquatic species to be confined to lands and waters of the propagator, prohibits propagators from receiving free species furnished by the state or federal government, authorizes the Department to inspect the operations, states parameters for transportation of fish, states the requirements for the application of licenses and provides for revocation of licenses, and sets penalties for violation of this act. Effective 11-1-02.

SB 1348 (Littlefield/Roberts): This act deletes the poultry operations and operating hatcheries exemptions from the corporate ranching and farming act. Directs the State Department of Agriculture, Food, and Forestry not to accept or approve any pending applications requesting permits for registration, construction or expansion of any concentrated animal feeding operation (CAFO) or poultry feeding operation to be located within one mile upstream of the Pensacola Project boundary as described in the records of the Grand River Dam Authority and FEMA, with the exception of operations currently authorized or permitted. Effective 4-17-02.

HB 2110 (Covey/Muegge): Relates to Agriculture. This act provides for the following:

- ◆ \$15 million to the Department of Corrections for contract bed expenditures in FY'02 and FY'03;
- ◆ \$17,151,269 to the Department of Transportation for debt service associated with Phase I and Phase II of the ROADS program;
- ◆ \$1,040,792 to the Office of State Finance for statewide system development costs; and
- ◆ \$1,250,000 to the Centennial Commission for the Capitol Dome.
- ◆ The \$5,501,000 appropriated for the Governor's Emergency Fund will be utilized by the Civil Emergency Management agency to pay debt incurred in prior natural disasters including the May 1999 tornado, the October 2000 flood, and the December 2001 ice storm.

- ◆ Makes milk the official state beverage;
- ◆ Changes the name of the State Department of Agriculture to the Oklahoma Department of Agriculture, Food, and Forestry;
- ◆ Adds powers and duties to the State Board of Agriculture;

- ◆ Adds livestock disease prevention and control programs to the purpose of the Department's State Indemnity Fund;
- ◆ Makes milk hauler/sampler permits effective for two year period;
- ◆ Adds to actions constituting a felony the theft or attempted theft of anhydrous ammonia;
- ◆ Provides for certain labels for shell eggs;
- ◆ Modifies the amount for an egg packer or processor license;
- ◆ Makes certain actions relating to timber unlawful; and
- ◆ Creates the Animal Disease Outbreak Temporary Emergency Act.

Effective 5-6-02.

HB 2255 (Covey/Kerr): Creates the Oklahoma County Fair Enhancement Act to promote and support the county fairs in Oklahoma through the allocation of funds, by grant, to county fair boards or authorities so as to provide assistance to county fairs in order to maintain the continued success of the fairs. Effective 7-1-02.

HB 2349 (Liotta/Pruitt): Adds the following restrictions relating to the location of poultry feeding operations:

- ◆ No new or expanding poultry feeding operation shall be constructed within a one-hundred year flood plain.
- ◆ No new or expanding poultry feeding operation shall be constructed within the following minimum buffer areas:
 - ✓ one and one-half miles of the high water mark of a surface public water supply if the poultry feeding operation is located within the watershed for the public water supply;
 - ✓ one mile of any designated scenic river area as specified by the Scenic Rivers Act;
 - ✓ one mile of a public drinking water well; and
 - ✓ one mile of a water body specified as Outstanding Resource Waters that has recreational or ecological significance as outlined by the most current Water Quality Standards.

The act also states land application of poultry waste shall comply with the provisions of the Animal Waste

Management Plan or the Conservation Plan. Effective 8-23-02.

HB 2855 (Ericson/Reynolds): Adds domesticated rabbits to the definition of livestock. Effective 11-1-02.

AGRICULTURE FUNDING

The Department of Agriculture was renamed the Oklahoma Department of Agriculture, Food, and Forestry by the Legislature to more clearly identify the focus of the agency (HB 2110).

The Legislature reduced the appropriations to the Department by 5 percent, targeting administrative costs, travel expenses, vehicle purchases and specific programs that had the ability to absorb the cuts (SB 1045). The Legislature's priority was to insure that there was no adverse impact on field services provided by the Department.

The Legislature provided one-time funding to complete an Ethanol Viability Study. The purpose of the study is to determine what obstacles prevent the economical production of ethanol in Oklahoma. This is part of an ongoing effort by the Department to provide Oklahoma agricultural producers the opportunity to create value-added products in Oklahoma.

The rural firefighters were provided \$169,000 in additional funding to cover the cost of workers' compensation insurance.

The Legislature provided funding for a new pilot project at Oklahoma State University (OSU) to assist small manufacturing facilities in rural Oklahoma. The New Product Development Center for Small Rural Manufacturers will assist manufacturers in developing new products and processes, thus increasing their sustainability and profitability.

Another \$250,000 was provided for the promotion of the Made in Oklahoma Coalition. The purpose of the coalition is to promote and create brand awareness for Oklahoma food products.

BANKING, FINANCE & SECURITIES MEASURES

SB 1273 (Monson/Blackburn): Modifies amount of delinquency charges for which parties may contract for certain credit transactions and modifies exclusions from the definition of "delinquency charge". Effective 11-1-02.

SB 1527 (Mickle/Rice): Modifies the purposes for which express trusts may be created by permitting

such trusts to be created to enter into specified financing arrangements. Effective 4-4-02.

HB 2091 (Roach/Easley): Limits the definition of a "credit service organization" to those performing specified credit services more than 12 times per year; requires that extensions of credit brokered or arranged by a credit services organization must comply with the Uniform Consumer Credit Code and the Credit Services Organization Act. Effective 8-23-02.

HB 2907 (Blackburn/Monson): Makes various changes relating to banking and financial institutions, as follows:

- Allows banks with identical names to use a federally registered trademark;
- Clarifies that bank examination reports are confidential, requires person seeking a copy of an examination to obtain a letter of "no objection" from the institution's primary federal regulator and imposes fees consistent with the Open Records Act for copies of department records;
- Amends various sections of existing law to clarify that when applying for a new charter, applications for both "authority to organize" and a "certificate of authority" are required and that the State Banking Commissioner has discretion regarding whether to hold a preliminary hearing on the application before the application goes before the State Banking Board;
- Clarifies the State Banking Department's existing interpretation of Section 710 of the Banking Code;
- Updates the law with respect to investments allowed for state banks, to make requirements equal to those allowed for national banks; and
- Allows banks with trust departments and trust companies to purchase a bond instead of pledging cash or securities in connection with their trust operations.

Effective 11-1-02.

BUSINESS & LABOR MEASURES

SB 882 (Monson/Cox): Authorizes the release of otherwise confidential employment information to public housing agencies for purposes of determining eligibility for certain federal programs. Provides an exemption to the requirement for semimonthly payment of wages on regular days for certain employees of nonprivate foundations. Effective 11-1-02.

SB 931 (Coffee/Phillips): Prohibits the printing of more than the last five digits of an account number or an expiration date on any receipt printed electronically and provided to the cardholder. Operative date depends upon when the cash register or other machine is first put into use. Date is January 1, 2004 for devices put into use after that date and January 1, 2007 for machines first put into use before that date. Violations are subject to the Oklahoma Consumer Protection Act. Effective 11-1-02.

SB 948 (Maddox/Plunk): Enacts the Oklahoma Small Business Regulatory Flexibility Act. The measure creates a mechanism for ensuring that the impact of state agency rules on small business is assessed and considered prior to adoption of rules. It also provides for the review of adopted state agency rules that have an adverse affect on small business. The bill establishes a Small Business Regulatory Review Committee within the Oklahoma Department of Commerce. Agencies are required to submit to the Committee, for its review and input, proposed rules that could adversely affect small business. For rules that are in place, an adversely affected small business may petition the state agency for a review of the rule. The agency must consider the petition and submit a written response of its determination to the Small Business Regulatory Review Committee within 60 days. State agencies are also authorized under certain circumstances to waive or reduce an administrative penalty or fine imposed by a statute or rule. In addition, the bill amends the Administrative Procedures Act by increasing from 20 days to 30 days the comment period during which interested parties may submit data and views prior to the agency hearing on a proposed rule or rule change. Effective 7-1-02.

SB 952 (Leftwich/Paulk): Beginning January 1, 2003, requires every owner or lessee of an elevator to report injuries to the Construction Industries Board. Requires the Board to submit annual reports of data collected on elevator-related injuries to the Governor, President Pro Tem and Speaker. Effective 11-1-02.

SB 1342 (Snyder/Phillips): Modifies the Service Warranty Act by deleting a reference to home warranties from an exclusion to the definition of "service warranty". (See also HB 2719 under Professions and Occupations.) Effective 11-1-02.

SB 1404 (Leftwich/Fields): Amends the Employment Security Act, including: providing for the inclusion of Indian tribes and tribal units under the unemployment benefit system; establishing an alternative base period for determination of benefits; stating requirements for, and providing for approval of, a supplemental unemployment benefit plan; increasing penalties for claimant fraud; authorizing filing of appeals by telephone; setting out procedures for collection of benefit overpayment; and making an appropriation to the Employment Security Administration Fund from federal monies. Effective 7-1-02.

(Sections 1 and 30) and 11-1-02 (Sections 2 through 29)

HB 1049 (Fields/Douglass): Amended the Boiler and Pressure Vessel Safety Act by: modifying the exemptions to the act, providing an inspection procedure for certain exhibitor boilers and exempting certain classes of boilers; requiring inspections once every five years performed by the Department of Labor; placing specified equipment located on oil and gas lease sites under the jurisdiction of the Corporation Commission. (See SB 1276 under Vetoed Bills) Effective 7-1-02.

HB 1624 (Pope/Leftwich): Authorizes the Commissioner of Labor to assess an administrative fine of \$500 for violation of wage and hours laws under specified circumstances. Effective 5-9-02.

HB 2267 (Plunk/Mickle): Creates the Oklahoma Professional Employer Organization Act with the stated purpose of promoting the development of cost-effective methods of satisfying personnel requirements and providing employees with access to more employment benefits. Defines terms related to professional employer organizations. Requires such organizations to register with the State Insurance Commissioner and establishes a schedule of fees and net worth and bonding requirements. Establishes basis for contractual relationships, duties and responsibilities between parties. Effective 11-1-02.

HB 2371 (Adkins/Pruitt): Modifies provisions relating to multiple employer welfare arrangements (MEWAs), including: modifying license eligibility requirements; requiring additional information and documents to be filed with the Insurance Commissioner; modifying bonding, insurance and cash reserve requirements; and reducing the amount of time a MEWA has to file certain reports. Effective 11-1-02.

CRIME PREVENTION & PUBLIC SAFETY MEASURES

SB 822 (Shurden/Leist): Creates the Oklahoma Antiterrorism Act. It criminalizes acts of terrorism, terrorism hoax, biochemical assault, and manufacturing substance with intent of terrorist activity. Violators must pay restitution and reimbursements to state and political subdivisions for emergency responses. Effective 6-6-02.

SB 906 (Helton/Nance): Adds the substance "ecstasy" or MDMA to controlled dangerous substances schedule. Sets quantities and penalties. Effective 4-24-02.

SB 917 (Leftwich/Nance): Requires fugitive to reimburse the county sheriff for any costs of apprehension. The bill allows reimbursements to be paid to

the Governor's Contingency and Emergency Fund when the Governor institutes an action to recover a fugitive from justice. Effective 4-19-02.

SB 932 (Robinson/Mitchell): Removes provisions relating to the O'Donoghue Rehabilitation Institute. The bill establishes a definition of primary medical contract provider for the Department of Corrections and clarifies use of Griffin Memorial and University Hospitals. It repeals language relating to the Correctional Health Care Services Oversight Board. Effective 6-4-02.

SB 955 (Nichols/Ericson): Youthful offenders are prohibited from possessing firearms. Effective 4-24-02.

SB 961 (Stipe/Fields): Authorizes certain registered nurses and licensed practical nurses to administer nonprescription drugs within the Department of Corrections facilities. Effective 7-1-02.

SB 981 (Smith/Benson): Prohibits court clerks from being subject to subpoena. Effective 11-1-02.

SB 991 (Smith/Braddock): Specifies quarterly reports for Oklahoma Indigent Defense System fees collected by the court clerk. Effective 5-6-02.

SB 1164 (Haney/Mass): Sets budget limits for the Office of Juvenile Affairs. Provides that Community Youth Service Agencies Community At Risk Services (CARS) program may have budgets reallocated in the event of revenue failure.

SB 1258 (Taylor/Adair): Merges duplication sections relating to driving under the influence of alcohol and blood alcohol levels. Effective 6-5-02.

SB 1259 (Coffee/Phillips): Provides procedures for the custody and return of stolen or embezzled property coming into municipalities. The bill provides a procedure for judicial determination of property disputes and prohibits the return of firearms or weapons without judicial authority. Effective 7-1-02.

SB 1292 (Crutchfield/Roan): Creates the crimes of disrupting state business and refusal to leave state property after notification due to disruption of official state business. Violations are misdemeanors. Effective 11-1-02.

SB 1319 (Fisher/Hiett): Changes the number of professional evaluations required for a juvenile sex offender from three or two. Effective 4-30-02.

SB 1336 (Rozell/Askins): Authorizes the Department of Corrections to utilize intermediate sanction facilities for certain offenders. The bill defines intermediate sanctions facility and requires certain placement for specific periods of time prior to release. Effective 7-1-02.

SB 1368 (Taylor/Adair): Provides a salary increase beginning January 1, 2003, for district attorneys. The salary will be 98% of a district judge's salary. Effective 7-1-02.

SB 1418 (Smith/Hastings): Creates the Pretrial Release Act. The act authorizes the presiding judge to establish a pretrial bail schedule and provides for forfeiture of bond and conditions of pretrial release. Effective 7-1-02.

SB 1420 (Maddox/Kirby): Sex Offender Registration Act. This act expands the reporting requirements for sex offenders to include security or police departments of institutions of higher learning. Effective 7-1-02.

SB 1425 (Nichols/Ericson): Enhances punishment for rape in the first degree, forcible sodomy, lewd molestation and sexual abuse of a child after conviction of any prior sex offense. The punishment is life without parole. Effective 7-1-02.

SB 1472 (Pruitt/Smith): Makes disabling or tampering with a security or surveillance camera or security system a crime. Effective 7-1-02

SB 1502 (Leftwich/Lindley): Prohibits prostitution within certain distance of schools and increases prostitution fines. The measure prohibits recognition bond release and authorizes municipalities to set penalty and community service for prostitution. Effective 4-19-02.

SB 1504 (Robinson/Vaughn): Prohibits the sale of bidis cigarettes to minors. Effective 4-15-02.

SB 1530 (Wilkerson/Fields): Authorizes the Department of Corrections to lease all or portions of existing facilities from private prison contractors, counties or governmental entities and operate the facilities like state facilities. Effective 5-30-02.

SB 1536 (Wilkerson/Askins): This act is the district attorney's omnibus bill. It allows assistant district attorney's to reside in an adjoining county and provides compensation for district attorney personnel to be determined by district attorney. It amends most embezzlement laws and consolidates penalties. It provides life or life without parole for third convictions of sex offenses. Effective 11-1-02.

SB 1537 (Wilkerson/Kirby): Allows DNA Database samples to be either blood or saliva. The bill clarifies who must submit to DNA testing and deletes obsolete language. Effective 5-9-02.

SB 1579 (Wilkerson/Braddock): Computer crimes commenced outside and consummated within the state may be prosecuted as a violation of this state's criminal code. Effective 4-17-02.

SB 1581 (Wilkerson/Braddock): Allows new execution orders to be set following stay orders. The bill provides certain times for setting a new execution date. Effective 4-22-02.

SB 1591 (Wilkerson/Askins): Directs the Oklahoma State Bureau of Investigation to maintain a nationally accredited scientific laboratory. The bill creates the Forensic Laboratory Accreditation Act and sets laboratory standards. It requires forensic laboratories to meet certain standards by certain dates. Effective 5-30-02.

SB 1592 (Wilkerson/Kirby): Allows for negotiated private prison contracts. The bill requires proposed per diem cost for initial and subsequent years to be included in a contract proposal. Effective 5-8-02.

SB 1593 (Wilkerson/Askins): Prosecution of cases originating in penal institutions requires fees be paid at conclusion of case upon invoice from the court clerk. The bill prohibits dismissal of case for non-payment of certain fees by the Department of Corrections. Effective 4-29-02.

SB 1597 (Wilkerson/Askins): Removes various provisions from the Oklahoma Community Sentencing Act, including reciprocal agreements, certain budget procedures, designation of who pays certain fees, funding priorities, and medical treatment for certain offenders. The bill deletes the pilot projects. Effective 7-1-02.

SB 1600 (Wilkerson/Rice): Allows officers and agents of the Oklahoma State Bureau of Investigation to disclose, at the discretion of the Director, investigative information to accreditation entities for the purposes of obtaining or maintaining accreditation. Effective 4-15-02.

SB 1638 (Henry/Braddock): Gives the court authority to order a convicted offender to reimburse authorized law enforcement agencies for cost of drug laboratory clean-up. The bill directs the court clerk to retain certain percentage for collection purposes. Effective 6-5-02.

SB 1642 (Helton/McCarter): Specifies what constitutes jurisdiction for use of pen registers and trace devices by court order. Effective 5-8-02.

SB 1643 (Wilkerson/Askins): Removes certain program restriction for persons convicted of drug distribution and removes the capacity limit for community work centers. Effective 7-1-02.

SB 1650 (Smith/Askins): Allows victims of rape or forcible sodomy to file for victim protection orders. The bill provides notice of victim rights and procedure for emergency orders of protection. Peace officers are directed to not discourage victim from pressing charges. It clarifies domestic abuse circumstance, notification of rights, emergency temporary

order, and notice to assailant in domestic abuse. Effective 6-5-02.

SJR 42 (Wilkerson/Paulk): Creates the position of Office of Interim Oklahoma Homeland Security Director. It names the Secretary of Safety and Security as Interim Oklahoma Homeland Security Director. It provides duties and limitations of the Office. It requires state agencies and political subdivisions to cooperate and lend certain assistance. Effective 2-21-02.

SR 61 (Fisher & Hobson): Authorizes Legislative Service Bureau to contract for a study of Oklahoma corrections system to be conducted using resources of public and private research universities; requires report by February 15, 2003.

HB 2034 (Maddux/Kerr): This bill authorizes sheriffs to form regional task forces to investigate and prevent cattle theft. Effective 7-1-02

HB 2035 (Maddux/Kerr): Criminalizes theft of implements of husbandry and dogs. The bill sets a penalty three times the value of the stolen animals or machinery but not exceeding \$500,000.00. Effective 11-1-02.

HB 2084 (Kirby/Helton): Private prisons are authorized to house persons arrested or detained for felonies or misdemeanors or who are immigrants. Effective 7-1-02.

HB 2085 (Kirby/Crutchfield): Changes the number of members on the State Board of Corrections. The bill authorizes negotiated contracts for private prison facilities and proposed per diem rates. Effective 11-1-02.

HB 2105 (Lindley/Monson): Creates the "Anna McBride Act" to establish pilot program mental health courts as alternatives for certain offenders. Effective 7-1-02.

HB 2116 (Braddock/Henry): Authorizes the Oklahoma State Bureau of Investigation to set salaries and pay certain expenses, including uniforms for officers and criminalists, for its employees. This bill decreases the holding period of stolen or embezzled property from two years to one year and establishes a procedure for disposal of property coming into possession of the OSBI. Effective 11-1-02.

HB 2137 (Benson/Rozell): Removes certain restriction on drug offenders from participating in certain programs and deletes the provision limiting community work centers to 100 inmates. (Inclusion of this measure in SB 1368 in an attempt to change the effective date to 7-1-02 failed.) Effective 11-1-02.

HB 2174 (Easley/Wilkerson): Beginning January 1, 2003, the amount of hours required for a full-time salaried peace officer to be certified by the Council

on Law Enforcement Education and Training increases to 302 hours and requires education in prevention of elder abuse. Effective 11-1-02.

HB 2195 (Mitchell/Shurden): Provides that unless preempted by federal law, no person shall mail material that is harmful to minors. Effective 11-1-02.

HB 2257 (Fields/Wilkerson): This measure directs the Department of Corrections to establish an Investigation Division to investigate allegations of criminal acts by inmates, offenders or employees of the Department of Corrections, and to investigate allegations of constitutional or policy violations. Effective 7-1-02

HB 2300 (Braddock/Wilkerson): Amends the Sex Offender Registration Act. The bill requires registration of persons who have committed the offense of assault with intent to commit a felony, if the assault is sexual. The bill prohibits any person convicted of indecent exposure from receiving a deferred sentence. It requires notification to all campus police of the registered sex offenders. Effective 2-28-02.

HB 2301 (Braddock/Wilkerson): Criminalizes the use of a computer to solicit a child for sexual conduct even when an undercover officer is used to investigate such offense. Effective 7-1-02.

HB 2303 (McCarter/Helton): The amount of seized controlled substance which must be retained by the State Bureau of Narcotics and Dangerous Drugs Control is reduced in this measure and the number of samples required to be taken under certain circumstances is also decreased. Effective 11-1-02.

HB 2316 (Miller/Shurden): Creates a crime for possession or distribution of a precursor substance to make methamphetamine. The bill specifies the amount that constitutes a rebuttable presumption and provides an exception. The penalty is ten years in the State Penitentiary. Effective 7-1-02.

HB 2379 (Roan/Crutchfield): The law enforcement officers of the Department of Public Safety are authorized to disregard vehicle audible signals in certain emergency situations if the action does not endanger life or property. Effective 11-1-02.

HB 2416 (Wilt/Coffee): This bill amends various civil procedures as each relates to inmate law suits. It prohibits certain small claims actions arising from incarceration in city and county jails, and increases the amount authorized to be deducted from inmate's savings accounts to pay costs of law suits and judgments from 50% to 80%. Effective 7-1-02

HB 2610 (Smith/Ford): Confidential juvenile records may be opened for inspection after a court determination that the juvenile record may be opened by law. If the record is to be inspected the court must give its location. Effective 7-1-02.

HB 2619 (Smith/Helton): Adds dichloralphenazone to schedule IV of the controlled substances. Effective 11-1-02.

HB 2624 (Plunk/Wilkerson): Allows for sale of state land and for proceeds to be deposited in the Peace Officer Revolving Fund for the construction, acquisition, furnishing, equipping, expansion and enhancement of the CLEET Training Center to be constructed in Ada, Oklahoma. Effective 9-1-02.

HB 2634 (Toure/Monson): Recreates the Racial and Social Economic Statistical Analysis on Imprisonment Task Force and provides membership and duties. Effective 6-5-02.

HB 2667 (Paulk/Leftwich): Prohibits jail employees from receiving compensation from items brought into a jail. It establishes a misdemeanor and felony penalty depending on the amount of the items sold. Effective 11-1-02.

HB 2705 (Wells/Fisher): Authorizes the Department of Corrections to establish a pilot program for persons revoked from a suspended sentence and placed into Community Sentencing. Effective 7-1-02.

HB 2721 (Corn/Muegge): A person involved in a traffic accident in this state who is taken to a hospital outside this state before a law enforcement officer can effect an arrest or testing is still subject to blood and breath alcohol testing under Oklahoma law. Effective 7-1-02.

HB 2790 (Askins/Wilkerson): Allows expungement of criminal records where DNA evidence proves factual innocence after conviction. The bill amends the statute of limitations for sex-related offenses. Effective 9-4-02.

HB 2795 (Perry/Snyder): This bill allows the Oklahoma State Bureau of Investigation to hire two full-time employees for the exclusive purpose of conducting oil field theft and fraud investigations. Effective 7-1-02

HB 2833 (Ingmire/Morgan): Includes in the definition of bogus checks false or bogus checks for any down payment on merchandise when the customer is taking immediate possession of the merchandise. Effective 11-1-02.

HB 2836 (Perry/Ford): Theft of construction or farm equipment is included in the provisions for theft of vehicles, aircraft, and vessels. The penalty is increased to three times the value of the equipment stolen, not to exceed \$500,000. Effective 11-1-02.

HB 2921 (Morgan/Pruitt): Establishes a victim of domestic abuse address protection program. It requires the Secretary of State to designate counseling services and housing for persons in the protection program. Provides that the Office of the Secretary of

State be the official address of such persons. Effective 11-1-02.

CORRECTIONS FUNDING

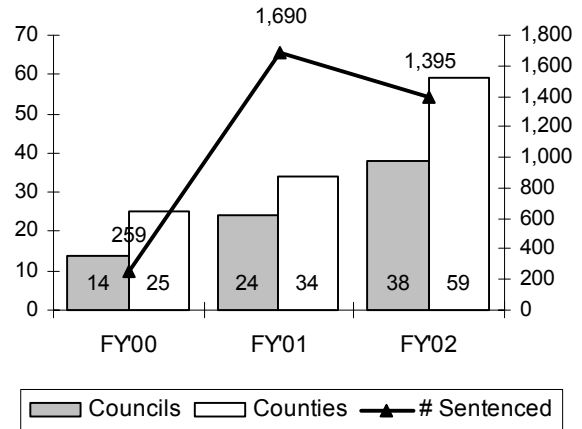
For FY'03, the Department of Corrections (DOC) received \$392,828,555 in state appropriations in SB 1096. This amounted to a 1.2 percent increase from DOC's original FY'02 appropriation.

Along with its appropriation, DOC received \$600,000 for several Avian Heart Detector systems. These detectors will be used to detect the presence of heart-beats in vehicles that go in and out of the State's correctional facilities.

The Department of Corrections (DOC) received \$15 million from the State's Rainy Day Fund. (HB 2587) This money will be used to fund contract prison beds for the remainder of fiscal year 2002. A portion of the money will be used for general operations for FY'03.

Within DOC's appropriation, the Community Sentencing Program received \$5,000,000. Since the inception of the program in FY'00, 38 planning councils in 59 counties have participated in sentencing 3,344 individuals.

Community Sentencing Program History



The Pardon and Parole Board received funding in the amount of \$2,355,603 through SB 1098. This represented a 0.9 percent cut for the agency. The agency was expected to take a 5 percent cut, but one-time funds in the amount of \$111,576 were used to reduce the agency reduction to 0.9 percent.

JUVENILE JUSTICE FUNDING

The Office of Juvenile Affairs (OJA) was appropriated \$102,368,528 for FY'03 (SB 1165). This represents a 4.7 percent decrease in their state appropriation level from FY'02. The majority of this reduction will be absorbed through reductions in administrative costs and the closing of two residential facilities in Faxon and Wewoka. These facilities provide quasi-military residential services and are funded with 100 percent state monies, unlike other juvenile residential facilities that are funded with state and federal revenue.

The Legislature provided a \$10,000 increase in funding from FY'02 for all Juvenile Detention Centers with 12 beds or less. Each of the 13 centers will receive a one-time payment of \$10,000 that can be used for operational expenses, equipment purchases or maintenance costs. OJA had originally requested a per diem rate increase for Juvenile Detention Centers.

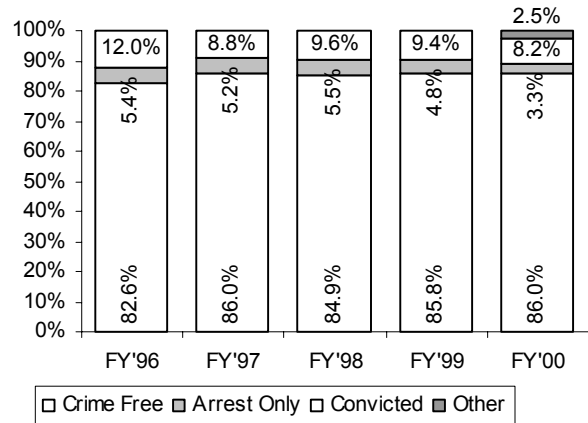
Community Youth Services Agencies have a line item appropriation within the budget of OJA. This money is disbursed to the 41 Youth Services Agencies across the state to provide counseling and other services to troubled youth and their families. For FY'03, the Community Youth Services Agencies were appropriated \$21,854,442 (SB 1164).

For FY'03, the Legislature also transferred funding from two additional programs, the Community At-Risk Services (CARS) and the Community Intervention Centers into the Community Youth Services Agencies line item. Youth Services Agencies are the sole contractors for both programs. With the addition of these programs, the Community Youth Services line item for FY'03 received a total reduction of 2.9 percent from FY'02.

To further reduce the impact of a budget decrease to Youth Services Agencies, the Legislature approved language which states that OJA cannot redesignate or reallocate any of the funds within the line item, except in the case of a revenue failure (SB 1164).

The First Time Offender Program is one of the programs that all Youth Services Agencies offer for troubled youth. This curriculum based intervention program is designed to prevent at-risk youth in the community from committing more serious crimes.

First Time Offender Program: Percent of Juveniles Who are Crime-free After One Year



LAW ENFORCEMENT FUNDING

For Fiscal Year 2003, the Alcoholic Beverage Laws Enforcement Commission received an appropriation of \$4,010,797 in SB 1083. This amount was 5 percent lower than Fiscal Year 2002. To achieve the 5 percent reduction, ALE plans to defer automobile purchases, furlough two temporary service workers and all ALE employees for six days, reduce all in-state travel and eliminate out-of-state travel.

The District Attorneys and the District Attorneys Council (DAC) took a 5 percent reduction in state appropriated funds for FY'03. SB 1078 appropriated \$30,307,624 to the DAC. In order to manage this cut, 30 percent of the districts plan to deplete carry-over funds, Bogus Check, and/or Drug Asset Forfeiture funds and reduce administrative expenses to avoid personnel cuts. The remaining 70 percent of the districts will use a combination of salary reductions, furloughs, layoffs, and a reduction in services and programs.

The Oklahoma State Bureau of Investigation (OSBI) also received a 5 percent decrease in its state appropriated funds for FY'03. SB 1085 appropriated \$10,742,452 to the agency for its operations. OSBI has planned to delay several maintenance, renovation, and repair projects in order to help offset the reduction.

Similar to other law enforcement agencies, the Office of the Attorney General (AG) received \$7,107,840 (HB 2547) for FY'03, a 5 percent budget reduction. To absorb the cut, the agency is currently planning to not fill FTE vacancies for the first two quarters of the fiscal year. The agency is also planning to fund their Consumer Protection Division from the 705 Revolving Fund instead of general revenue. This move should not impact the AG's offices use of the 705 Fund for the implementation of SB 950, otherwise known as the "No-Call Bill."

HB 2569 appropriated \$1,875,056 to the State Fire Marshall, for its FY'03 operations. This represents a 5 percent reduction from their original FY'02 appropriation. In order to manage the reduction the State Fire Marshall is planning to decrease its operations budget.

\$5,925,357 was appropriated to the Bureau of Narcotics and Dangerous Drugs for FY'03 (SB 1089). This resulted in a 5 percent budget cut for the agency. The agency will absorb the budget reduction by decreasing overtime, not replacing FTE retirements and not filling FTE vacancies.

The Council on Law Enforcement Education and Training (CLEET) also received a 5 percent budget reduction for FY'03. HB 2573 appropriated \$2,883,685 to CLEET. To balance the FY'03 budget, the agency plans on not filling 2 existing vacancies, reducing the professional services budget, and reducing the agency's motor pool expenses.

The Board of Medicolegal Investigations was appropriated \$3,918,936 in SB 1093 for FY'03. This amounted to a 2.4 percent decrease for the agency. To help offset the cut, the medical examiner's office plans to reduce outside laboratory drug testing, reduce state vehicles, maintain FTE vacancies, eliminate travel and certain service contracts. Within its appropriation, the Legislature appropriated \$68,000 to the medical examiner to match a federal grant for new laboratory equipment, and \$35,000 for needed building maintenance.

The Department of Public Safety (DPS) received \$69,594,193 in state appropriated revenue for FY'03, in HB 2581. Within this amount, \$312,500 was used to hire ten new Driver License Examiners for the state. DPS's appropriation was 6.7 percent below its FY'02 appropriation. To manage this cut, DPS is planning to eliminate the FY'03 Oklahoma Highway Patrol (OHP) Academy, reclassify motor vehicle inspection auditors, reduce travel costs, and reduce excess Capitol Patrol positions.

ECONOMIC DEVELOPMENT MEASURES

SB 817 (Capps/Covey): Amends the tax credit allowed to investors in qualified space transportation vehicle providers enacted last session in SB 55. The bill makes changes in three areas: (1) to delete provisions allowing the state to recapture transferred tax credits from the transferee under certain conditions; (2) to clarify that the local commitment may be met by allowing use of property transferred to a state authority by a local government; and (3) to extend the time period for investments eligible for the tax credit. Effective 6-4-02.

SB 828 (Fisher/Roggow): Modifies the Small Employer Quality Jobs Incentive Act to make the following changes:

- Benefits are limited to jobs located in counties under 200,000 population or opportunity zones;
- A cost-benefit analysis is required to determine the amount of incentive payments;
- Payments are made quarterly (rather than annually) and for up to seven (rather than five) years;
- The number of new jobs is changed from ten to five (city under 3,500 population), ten (city from 3,500 to 7,000 population) or fifteen (city over 7,000 population);
- The wage threshold is changed from 150% of the county average wage, to be paid to at least 80% of the establishment's employees, to 125% of the county average wage (including health insurance benefits) or 110% of the county average wage (excluding health insurance benefits); and
- Health benefits must be provided within twelve months (rather than 90 days).

SB 828 also clarifies the benefits available under the Oklahoma Quality Jobs Program Act for insurance companies and includes oil and gas company jobs not related to field drilling. Effective 7-1-02.

SB 840 (Mickle/Dunegan): Allows the five-year ad valorem tax exemption available to manufacturers to distribution facilities if the investment cost of the facility is \$5 million or more, at least 100 persons are employed at the facility, employees are paid at least 150% of the minimum wage, and construction is begun prior to 12-31-02 and completed within three years. Effective 5-6-02.

SB 947 (Crutchfield/Rice): Modifies gross production taxes on oil and gas production as follows:

- A three-tier tax system for gas production is established, similar to the system established for oil production in 1999. If the price of gas is \$2.10 per mcf or more, the tax rate will be 7%; if the price of gas is \$1.75 or more but less than \$2.10, the tax rate will be 4%; and if the price of gas is less than \$1.75, the tax rate will be 1%.
- The new system will be in place from 1-1-02 through 6-30-07.
- The duration of the exemptions for horizontal drilling and deep wells are extended. The exemption for horizontal drilling is changed from 24 months to 48 months and the exemption for deep wells is changed from 28 months to 48 months (wells of 15,000 feet or greater) or 60 months (wells of 17,500 feet or greater).

- The level at which the exemptions are not applicable is changed from \$3.50 per MMBTU to \$5.00 per mcf.

Effective 7-1-02.

SB 1282 (Fisher/Rice): Modifies the qualifications for aircraft maintenance facilities to receive the sales tax exemption on sales of aircraft engine repairs, modification, and replacement parts; sales of aircraft frame repairs and modification, aircraft interior modification, and paint; and sales of services employed in the repair, modification and replacement of parts of aircraft engines, aircraft frame and interior repair and modification, and paint. Effective 7-1-02.

SB 1391 (Fisher/Rice): Enacts the Oklahoma Science and Technology Research and Development Act; reconstitutes board of directors for the Oklahoma Center for the Advancement of Science and Technology (OCAST) as the Oklahoma Science and Technology Research and Development Board; modifies membership, powers, and duties of board; establishes Oklahoma Institute of Technology within OCAST; creates trust fund for Institute; abolishes Oklahoma Futures. Effective 7-1-02.

SB 1434 (Leftwich/Winchester): Modifies the Compete with Canada Film Act to change the definition of "film" and modify documentation which must be submitted with a rebate claim. Effective 7-1-02.

SB 1442 (Kerr/Covey): Creates the Rural Economic Development Loan Act. The State Treasurer will administer a program under which financial institutions participating in the program will make reduced rate loans to finance qualified economic development projects in rural areas.

Participating financial institutions will pledge \$3 million to \$10 million to a fund. If an applicant applies for a rural economic development loan from a participating financial institution and the amount of the loan is greater than the amount that institution has pledged, other pledging financial institutions will provide the remaining amount from their pledges. Financial institutions must apply the usual standards for making loans to rural economic development loans, and loan packages may be developed by SBA-certified development companies or political subdivisions or agencies. Administrative expenses of the State Treasurer and loan developers may be paid from the fund.

A Review Board consisting of the State Auditor and Inspector, Lieutenant Governor, State Treasurer, State Banking Commissioner, Director of the Department of Commerce, President of the State Board of Agriculture, and the Chair of the Oklahoma Tax Commission, or their designees, is created to review and prioritize applications and certify the amount of payroll attributable to new jobs created by rural economic development loans.

A participating financial institution will receive an income tax credit equal to the amount of taxable income attributable to the loan, limited each year to an amount equal to 5% of the amount of annual payroll from any job created by the economic activity financed with the loan. (The previous version of the bill allowed an income tax deduction in the amount of monies actually paid to the fund.) The Tax Commission has estimated that the fiscal impact would be minimal. SB 1442 also contains an amendment clarifying that business incubator income distributed to partners or shareholders or members of a limited liability company receive the state income tax exemption. Effective January 1, 2003.

SB 1451 (Hobson/Miller): Allows an income tax credit to Oklahoma manufacturers of advanced small wind turbines, in the amount of \$25 per square foot of rotor swept area in 2003, \$12.50 in 2004 and \$6.25 in 2005. Credits may be carried forward up to 10 years and are transferable. The tax years for which the credit allowed last session for electricity generated with zero-emission facilities is allowed are changed from those beginning on or after 1-1-02 to those beginning on or after 1-1-03. Effective 1-1-02.

HB 1222 (Leist/Shurden): Modifies establishments qualifying for incentive payments under the Oklahoma Quality Jobs Program Act to allow more than one establishment locating on a single "brownfield" site to qualify. Effective 3-11-02.

HB 2073 (Rice/Dickerson): Modifies income tax credits allowed to producers and purchasers of Oklahoma coal to extend the period of time for which they may be granted, make all credits transferable, allow certain credits to non-corporate taxpayers, and allow a five-year carry forward period. Effective 5-6-02.

HB 2245 (Benson/Helton): Creates the "Oklahoma Quality Jobs Incentive Leverage Act", providing the following incentives:

- Creates an "advance incentive" funding model for existing economic development incentives. These incentives would accrue to the company over a span of up to ten years;
- Provides that businesses that meet a very high threshold for the amount and quality of new capital investment are eligible for "advance" funding of existing economic development incentives such as investment tax credits, property tax breaks, quality jobs payments, and sales tax credits on construction materials. Claims to the existing incentives are surrendered to claim the advance funding;

- Provides additional state incentives if a locality provides \$5 million in local incentive match;
- Provides for the issuance of bonds by the Oklahoma Development Finance Authority, with benefits to any one business not exceeding \$36 million;
- Provides that businesses that meet a high threshold for the amount and quality of new capital investment are eligible for half (7.2% of the projected investment) of the higher level of “advance” funding if the locality where they reside does not meet the \$5 million local match requirement;
- Specifies requirements for a business to participate in the Quality Jobs Incentive Leverage Act, including:
 - ✓ Must have at least \$115 million in current payroll;
 - ✓ The average annual salary must be at least \$40,000;
 - ✓ Plans to add to compensation and employment;
 - ✓ Currently has at least \$200 million in investment in the state;
 - ✓ Has \$50 million in plans for modernization and retooling;
 - ✓ Has at least 1,550 employees;
 - ✓ Meets the criteria to qualify for the Investment Tax Credit;
 - ✓ Meets the criteria of SIC code 3011(tire manufacturing);
 - ✓ Meets the criteria to qualify for Quality Jobs including health insurance;
- Provides that upon the calculation of the value of incentives a business is eligible for by the Department of Commerce and certification of the Department of Commerce’s Incentive Approval Committee (Tax Commissioner, Secretary of Commerce and OSF Director) that business meets all the criteria to receive the advance funding of incentives, the Oklahoma Development Finance Authority will issue bonds in the amount determined by the Department of Commerce;
- Provides that the proceeds of that bond issue will fund the advance incentive package for an eligible business upon that business entering into a contract with the ODFA that provides

economic benefits to the state of Oklahoma in the form of jobs and new investment in accordance with the act;

- Creates a special fund at the Oklahoma Development Finance Authority to receive funds for the payment of principal and interest of the bonds;
- Provides that incentive payments which would have been paid to the establishment will be deposited in the special ODFA fund. These funds will consist of the forfeited Quality Jobs payments and withholding taxes imposed on the employees of the eligible business;

Annual bond payments on a 15 year bond of the maximum benefit of \$36 million will be approximately \$3.4 million per year. The funds available to the special fund to cover principal and interest costs will exceed \$7 million per year. HB 2245 also provides the following safeguards:

- If the business fails to meet investment targets, it is liable for the full amount of principal and interest on the bonds relative to the deficit in investment;
- The business must deliver a guaranty from itself or a third party that if employment at the business drops below a level necessary to generate enough withholding taxes to service the bond payments that such deficit is covered to service the bond payments;
- ODFA may use its Credit Enhancement Reserve Fund to obtain favorable credit features and further safeguard investments; and
- Apportionment of income tax withholding from wages of employees of the business is the final “backstop” for bond payment.

Effective 5-23-02.

HB 2315 (Roach/Henry): Changes provisions relating to the income tax credit allowed to investors in certain airlines to extend the investment period from 12-31-00 to 12-31-02 and to increase the amount of investment qualifying for the tax credit by \$9 million. Language is also included as to legislative intent that monies derived from tax credit transfers are intended to be nonshareholder contributions to capital for purposes of the Internal Revenue Code. Effective 2-19-02.

COMMON EDUCATION MEASURES

SB 815 (Rabon/Roach): Requires school districts to establish a daily observance of approximately one minute of silence for the purpose of allowing each student, in the exercise of his or her individual choice, to reflect, meditate, pray, or engage in any other silent activity that does not interfere with, distract, or impede other students in the exercise of their individual choices. Authorizes the Attorney General to intervene in any legal proceeding to enforce the act. Effective 5-31-02.

SB 900 (Crutchfield/McCarter): Adds veterans who served in the Korean War to the existing authorization for school districts to grant a diploma of graduation to veterans of World War II. Removes the minimum eighteen-month service requirement. Effective 11-1-02.

SB 992 (Rozell/Staggs): Creates the School Bullying Prevention Act. Requires school districts to adopt policies specifically prohibiting harassment, intimidation, and bullying by students at school and to address prevention of and education about such behavior. Directs each school's Safe School Committee to make recommendations regarding student bullying and prevention programs. Requires the State Department of Education to compile and distribute to schools a list of appropriate research-based programs. Prohibits districts from using a commercial bullying prevention program not on the state list. Effective 11-1-02.

SB 1003 (Haney/Mass): Clarifies distribution of excess flexible benefit allowance for school district employees; applies provisions of Larry Dickerson Education Flexible Benefits Allowance Act to school districts participating in the Oklahoma State Education and Employees Group Insurance Board plan and school districts that are self-insured; restates requirement that school districts pay 50% of cost of health care coverage for certain school employees; prohibits decrease in percentage or dollar amount paid by school districts for health insurance for certified or support employees in school years subsequent to 2001-02 and provides formula for determining how much districts shall pay in order to comply with the prohibition against decreasing the benefit; requires school districts to reduce administrative costs by 1.6% for 2002-03. Effective 7-1-02.

SB 1212 (Haney/Mass): Exempts appointed members of the Education Oversight Board from dual office holding prohibition. States criteria for priority consideration in evaluating new parent education program funding requests. Authorizes school districts to operate as federal Head Start program grantees. Effective 7-1-02.

SB 1328 (Cain/Greenwood): Creates the Educational Interpreter for the Deaf Act. Requires educational interpreters in public schools to meet certain requirements and provides timeline for implementation. Effective 7-1-02.

SB 1335 (Wilcoxson/Morgan): Clarifies authorization of Office of Accountability to conduct a performance review program for certain school districts. States that funds appropriated to the State Board of Education for the Office of Accountability for FY'02 and subsequent years may be expended for the program. Authorizes the Office of Accountability to contract with an outside entity or hire personnel to assist in the development and design of the program and to contract with outside entities to assist in conducting performance review programs. Effective 6-5-02.

SB 1408 (Easley/Ferguson): Requires school districts to adopt policies for Internet-based courses. Authorizes districts to provide educational services pursuant to contract to children not residing in the United States. Modifies reasons allowable for emergency student transfers to include unavailability of Internet-based instruction for certain students in need of drop-out recovery or alternative education services. Authorizes certain Internet-based courses taught at a technology center school to count for academic credit. Requires disaggregation and reporting of test results for students enrolled in Internet-based courses. Authorizes districts to enroll students who have dropped out of school or are or have been suspended from school on a part-time basis utilizing Internet-based courses. Provides a formula for calculation of State Aid for such students. Effective 7-1-02.

SB 1595 (Williams/Nations): Authorizes additional teacher professional leave days subject to district policy or collective bargaining agreement. Requires traditional teacher certification candidates to successfully complete the general education subject area, and professional education portions of the competency examination prior to licensure. Clarifies that Alternative Placement Program candidates shall successfully complete the general education and subject area portions of the competency examination prior to licensure and shall successfully complete the professional education portion prior to certification. Effective 7-1-02.

SB 1631 (Crutchfield/Staggs): Modifies mathematics remediation and contingent promotion/summer academies provisions to focus resources on reading and mathematics in grades three through eight to better align with requirements of federal HR 1 (the No Child Left Behind Act). Effective 7-1-02.

HB 1968 (Corn/Dickerson): Enacts the Larry Dickerson Education Flexible Benefits Allowance Act; requires 75% of health coverage for teachers to be paid during school year 2002-03 with 100% of

the coverage to be paid during school year 2003-04 and subsequent years. Makes appropriations for health care coverage. Effective 7-1-02.

HB 2020 (Piatt/Morgan): Authorizes school districts to lease real or personal property to certain not-for-profit entities. Allows school activity funds to be invested in a larger spectrum of fixed income and equity instruments. Effective 7-1-02.

HB 2231 (Walker/Capps): Increases the amount of general fund carryover school districts with budgets over \$10 million but less than \$24 million can have without being penalized. Waives carryover penalties for school districts for FY'02 and FY'03. Effective 7-1-02.

HB 2234 (Matlock/Crutchfield): Authorizes the board of education of a technology center school district to approve all plans and specifications for technology center school building projects without prior approval of the State Board of Career and Technology Education when paid with local levies. Effective 7-1-02.

HB 2250 (Staggs/Fisher): Authorizes the State Department of Education to cure delinquencies in payment of any bond or note of a school district participating in a short-term cash management program by withholding State Aid due the delinquent district and remitting funds to the paying agent. Effective 7-1-02.

HB 2314 (Roberts/Crutchfield): Clarifies that all monies derived from state-dedicated revenue, state-appropriated revenue unless otherwise provided for by law, and county sources shall be placed in the general fund of the school district. Effective 7-1-02.

HB 2341 (Wilt/Ford): Modifies adoption cycle and requirements for Comprehensive Local Education Plans and school improvement plans by changing from a four-year to a six-year cycle. Requires State Board of Education to review subject matter curriculum every six years in coordination with the existing subject area textbook adoption cycle. Effective 7-1-02.

HB 2625 (Eddins/Fisher): Authorizes sixth grade mathematics teachers to obtain middle level endorsement by successfully completing a professional development institute in middle level mathematics. Allows participation in the institute one time free of charge. Directs State Board of Education and Oklahoma Commission for Teacher Preparation to compare the licensing requirements for school psychologists and speech pathologists to the requirements for certification by the National Board for Professional Teaching Standards. Effective 7-1-02.

HB 2803 (Cox/Shurden): Requires annual inspection of school transportation equipment to verify

maintenance and operation in accordance with applicable laws and rules. Effective 8-22-02.

HB 2886 (Ferguson/Morgan): Modifies high school graduation requirements to allow contextual math and science courses as well as core math and science courses taught at a technology center school by a certified teacher, if approved by the State Board of Education and district board of education, to count toward the graduation requirements when taken in the eleventh or twelfth grade. Effective 8-22-02.

HB 2889 (Ferguson/Dickerson): Authorizes district boards of education to use construction management project delivery method for building or remodeling school buildings. Changes noncollusion affidavit requirements so that the affidavit must accompany contracts of \$25,000 or more made by political subdivisions, including school districts, with architects, contractors, engineers, or suppliers of materials for construction projects; removes requirement that affidavit accompany each invoice of \$1,000 or more. Effective 7-1-02.

COMMON EDUCATION (K-12) FUNDING

Common education, like other education agencies, received a 1.6 percent reduction in appropriations from their original 2002 fiscal year budget. Between SB 1002, HB 2587 and SB 1210, the State Department of Education received \$2,006 million. A number of line-items were exempted from this cut:

- ◆ Textbooks received stable funding at \$33 million;
- ◆ Certified and Support Health Insurance at \$98.5 million;
- ◆ The 2000-2001 \$3,000 teacher salary increase at \$157 million;
- ◆ The teacher retirement credit at \$33 million;
- ◆ School lunch matching and program funds; and
- ◆ The Education Leadership Oklahoma program which provides scholarships and annual bonuses to teachers who attain national board certification.

The state aid formula which provides the majority of funding for the general operations of schools was reduced by 1.8 percent (\$29,615,453), from \$1,611,234,060 to \$1,581,618,607. Other programs such as psychometric services, advanced placement grants, alternative and high challenge education grants and the parents as teachers program received a 5 percent reduction.

Due to increased testing costs associated with the end of instruction Algebra I and Biology I examinations, the Legislature appropriated an additional \$1,519,199 to the State Department of Education. The administrative budget of the State Department of Education was reduced by 5 percent and by 43 FTE, from 554 FTE to 511 FTE.

Since the 1999 fiscal year, the Legislature has been providing state funds to cover approximately 30 percent of a teacher's health insurance cost and 89 percent of a support employee's health insurance costs. HB 1968 expanded this coverage by increasing the percentage of state funds appropriated for health insurance to 58 percent for certified staff and 100 percent for support employees. Main provisions of the bill include:

FY'03

- ◆ The school district must meet 17 percent of the cost increasing the total percentage covered for certified staff to 75 percent; 58 percent covered by the state and 17 percent by the district. The approximate dollar value of this package totals \$2,152.90/year or \$179.41/month.
- ◆ Certified employees who do not opt for health care coverage may continue to receive \$69.71/month in taxable compensation.
- ◆ Support employees who opt for health insurance will receive 100 percent coverage. The dollar value of this option is approximately \$2,870.53/year and \$239.21/month.
- ◆ Support employees who do not opt for health care coverage may continue to receive \$189.69/month in taxable compensation.

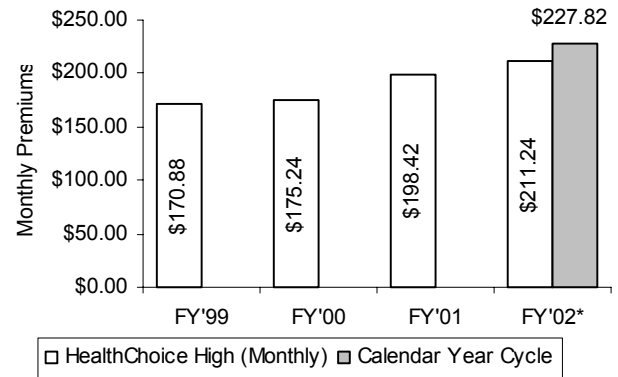
FY'04

- ◆ Health care coverage for certified staff will increase to 100 percent; 83 percent covered by the state and 17 percent covered by the district.

For FY'03, the Legislature appropriated \$34.9 million to common education and career and technology education in HB 1968 to cover the increased costs of this legislation.

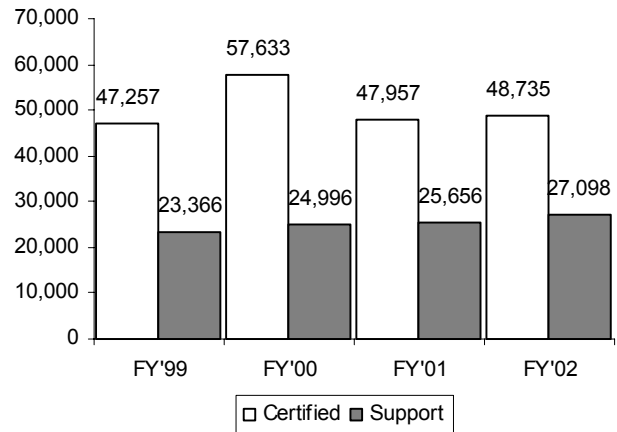
Health insurance rates have increased by 33.3 percent since the program began in FY'99.

**Flexible Benefit Allowance
HealthChoice High-Option Monthly Premiums**



*Effective FY'02, health insurance will run on a calendar year cycle.

Flexible Benefit Allowance Program Participation



- ◆ Since the program's inception, the number of certified personnel receiving the flexible benefit allowance has increased by 3.1 percent (1,478) and by 16 percent (3,732) for support personnel.

When the additional appropriations for the health insurance proposal are included in the budget for common education, the agency receives a 0.3 percent increase in appropriations over their FY'02 budget.

HIGHER EDUCATION MEASURES

SB 995 (Robinson/Ericson): Changes name of Connors State College of Agriculture and Applied Science to Connors State College. Modifies the name of the Oklahoma City campus of Oklahoma State University by removing reference to Technical Branch. Effective 7-1-02.

SB 1212 (Haney/Mass): Modifies transfer of certain authority and foundation assets related to higher education in Tulsa. Authorizes OSU/Tulsa to develop and implement a Technology Intern Partner Program. Effective 7-1-02.

SB 1287 (Ford/Smith): Authorizes ad valorem tax levies for certain technology center school districts and certain college technology center school districts to apply to territory overlapping both districts. Changes name of Tulsa County Technology Center School District to Tulsa Technology Center School District. Increases the three-mill ad valorem levy limitation for the Tulsa Technology Center School District to five mills. Increases the two-mill ad valorem levy limitation for the Tulsa Community College Technology Center School District to five mills. Removes authority of State Board of Career and Technology Education to approve Tulsa Community College budget. Effective 6-6-02.

HB 1440 (Nations/Wilcoxson): Modifies the uses of the Oklahoma Scholarship Revolving Fund and repeals the Oklahoma Tuition Scholarship Program. Effective 7-1-02.

HB 1503 (Adair/Rozell): Creates the Oklahoma Center for Rural Development to be located at North-eastern State University. Center's mission is to improve the effectiveness of citizens, enterprises, and communities in rural Oklahoma to better meet the quality of life challenges in the new century. Effective 7-1-02.

HB 2068 (Covey/Muegge): Authorizes the establishment of an Institute for Issue Management and Alternative Dispute Resolution at Oklahoma State University's Seretean Wellness Center. The Institute's services and activities are to be limited to agriculture, rural living, agribusiness, environmental, natural resources, and rural business or industry issues. Places the Oklahoma Agriculture Mediation Program under the direction of the Institute. Effective 7-1-02.

HB 2738 (Deutschendorf/Kerr): Makes students who attend a high school not accredited by the State Board of Education eligible for the Oklahoma Higher Learning Access Program; clarifies duties of Quartz Mountain Arts and Conference Center and Nature Park Board of Trustees; authorizes Board to commission peace officers and to employ seasonal employees; makes certain activities illegal at the conference center and park; exempts center and park guest records from Open Records Act; clarifies legislative authorization for bonds to be issued for conference center and park. Effective 5-22-02

POSTSECONDARY EDUCATION FUNDING

For FY'03 higher education received \$851,255,610, a 1.1 percent reduction in appropriations from their original FY'02 budget. Of this amount \$44.8 million was appropriated from the Rainy Day Fund (see Rainy Day Fund section). HB 2433 appropriated over \$806.4 million to higher education. The regents' will exempt scholarships, the Quartz Mountain and Arts Conference Center and Nature Park and Onenet, their telecommunications network, from any budget reductions. The regents' administration and higher education operation budgets will receive a 2 percent reduction.

To offset a dramatic decrease in gross production revenue for FY'02 and FY'03 the Legislature appropriated \$13.3 million in Rainy Day Funds for general operations for each of those years. An additional \$2.6 million was provided to fund increased scholarship costs with the Oklahoma Higher Learning Access Program (OHLAP). Another \$500,000 was provided specifically for state aid to low-income students attending independent colleges and universities.

In addition to the above actions, the Legislature also provided funds from the Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund in the Corporation Commission to the University of Oklahoma (OU) and Oklahoma State University (OSU). HB 2536 states that 25 percent of the revenue collected from a motor fuel assessment will be allocated to the University of Oklahoma for the construction of a national weather center. This center will house a number of different state and federal research divisions. State funds will be matched by federal funds. The university will receive up to \$19 million for this project.

Another 25 percent of the revenue collected up to \$19 million will also be allocated to Oklahoma State University to upgrade, renovate and refurbish laboratory facilities for the sensory research center. This center will provide valuable applied research to the national government. Federal research funds will also be available as a result of this investment.

The Department of Career and Technology Education was appropriated \$131,196,667 for FY'03, a .5 percent appropriations decrease from their FY'02 state budget. General operating state funds were appropriated in HB 2427 while another \$1,393,887 was appropriated for increased health care coverage in HB 1968. The agency will implement a proportionate budget reduction among all of its four divisions: administration, local school programs, business and industry and the inmate and skills centers.

ENERGY, ENVIRONMENT & UTILITIES MEASURES

SB 851 (Mickle/Rice): Modifies the authority of a board of trustees of a rural electric cooperative to permit, upon an affirmative vote of a specified number of trustees, lease and leaseback transactions under certain conditions. Effective 4-5-02.

SB 871 (Easley/Rice) Prohibits the Commission on Marginally Producing Oil and Gas Wells from using any of their funds for the purpose of influencing governmental action or policy, but the bill states they may respond to any request for information from the Legislature, Governor, public officials or state agencies. This prohibition is similar to the restrictions already placed on the Oklahoma Energy Resources Board. SB 871 also creates a sales tax exemption for sales of electricity and associated delivery and transmission services used by certain oil and gas operation utilizing special dewatering technology. Currently, there are no projects utilizing this technology located in this state but such projects would have to be approved by the Corporation Commission to qualify for this sales tax exemption. Effective 6-4-02.

SB 878 (Muegge/Turner): Directs the Department of Agriculture to conduct a study to demonstrate the potential of our state to attract potential industry leaders interested in establishing an ethanol processing plant in this state. The bill creates an Oklahoma Ethanol Plant Feasibility Advisory Committee consisting of 15 members appointed by the Governor, the President Pro Tempore and the Speaker and requires the Committee to submit a report no later than December 31, 2002. Effective 8-23-02.

SB 879 (Muegge/Leist): Provides that retail motor fuel facilities shall not be required to post information regarding fuel additives on their premises. The bill does require regional or small airports in this state to post the alcohol content of fuel. Effective 1-1-03.

SB 972 (Rozell/Wilson): Requires the Secretary of Environment to coordinate with the appropriate state environmental agencies to create a coordinated watershed restoration and protection strategy for each impaired scenic river in this state no later than January 31, 2003, and requires those same agencies to prepare annual reports for the Governor and Legislature beginning in 2004 reporting on their progress. The bill further allows the Governor and Legislature to take any necessary action to require any state environmental agency to meet its mandated responsibilities according to the act. Effective 4-29-02.

SB 1247 (Taylor/Rice): Allows cities over 1,750 (formerly 1,500) population to receive priority water

project funding under the Rural Economic Action Plan. Effective 7-1-02.

SB 1306 (Easley/Glover): Authorizes the Executive Director of the Oklahoma Water Resources Board to transfer water permits for swine feeding operation under certain conditions, such as a change in ownership of the operation. Effective 4-11-02.

SB 1312 (Easley/Rice): Modifies the powers granted to electric cooperatives by allowing cooperatives to jointly own or operate electric generation, transmission or distribution facilities with other privately owned electric utilities or other private business entities. Effective 4-10-02.

SB 1406 (Martin/Askins): Amends legislation enacted last session which authorized a portion of the Waste Tire Indemnity Fund to provide reimbursement for schools or public institutions utilizing crumb rubber for playground surface material. This measure allows the Tax Commission to notify recipients that monies have been obligated on their behalf if such funds are available and allows recipients to assign payment of those funds over to a contractor. SB 1406 also amends the Oklahoma Waste Tire Recycling Act by modifying the amount of fees paid for collecting, transporting and utilizing both car and truck tires. Effective 6-7-02.

SB 1407 (Rozell/Fields): Changes the title, liquefied petroleum gas inspector, to safety code enforcement officer. Authorizes the transfer of Class I Dealer permits. The bill further requires all loading rack operators and importers to maintain records enabling the LP Gas Commission to determine if such operators have remitted all required fees. If the Commission determines any operator or importer has not remitted the proper assessments, the Oklahoma Liquefied Petroleum Gas Board may suspend or revoke their permits until such assessments and penalties are paid in full. SB 1407 also authorizes the Attorney General to take necessary action to collect fees or penalties if requested to do so by the Commission. Effective 7-1-02.

SB 1410 (Easley/Blackburn): Creates a three-year moratorium on the sale or exportation of groundwater or surface water outside this state and prohibits any Indian tribe from entering into any cooperative agreements relating to groundwater or surface water without consent of the Legislature for a period of three years. The bill further creates the Joint Committee on Water Planning made up of nineteen legislative members appointed by the President Pro Tempore, the Speaker of the House and the Governor. The work of the Committee must be finalized by January 15, 2005. Effective 6-6-02.

HB 1300 (Bonny/Price): Clarifies the current statutes governing the Corporation Commission's regulation of electric cooperatives by authorizing all cooperatives with less than 17,000 members to opt out

of Commission regulation upon an election by their members. Those cooperatives would be self-regulated and not subject to any regulation by the Commission. Effective 7-1-02.

HB 1978 (Leist/Easley): This is a cleanup bill requested by the Department of Environment Quality. It amends the Environmental Quality Code statutes by eliminating duplicative definitions and modifies and clarifies the criminal penalty for violations of certain environmental laws. Effective 5-9-02.

HB 1980 (Leist/Easley): Requested by the Department of Environmental Quality to update the names of certain divisions within the Department that are mentioned in the statutes. Effective 4-29-02.

HB 1995 (Pope/Price): This bill changes the name of a financial assistance program from the Wastewater Facility Construction Revolving Loan Account to the Clean Water State Revolving Fund Program, and modifies program functions. Funds may now be used for capital projects designed to protect surface or underground water quality and reduction of non-point source pollution. Effective 5-30-02.

HB 2040 (Pope (Clay)/Price): Amends the membership of the Carbon Sequestration Advisory Committee by adding two additional members, one who must represent electric cooperatives and one representing production agriculture who is actively engaged in carbon-based energy and wildlife related activities. The bill adds new language authorizing the Oklahoma Conservation Commission to establish a carbon sequestration certification program. Effective 5-20-02.

HB 2074 (Rice/Wilkerson): Modifies statute governing anhydrous ammonia equipment to include anhydrous ammonia pipelines, and modifies the fines and punishments for violations of the Hazardous Liquid Transportation System Safety Act. Effective 11-1-02.

HB 2151 (Hutchison/Littlefield): Authorizes the Department of Environmental Quality to establish a certification program for control officers employed by regional solid waste management districts. The bill further allows cities and counties to utilize baled waste tires in engineering projects with DEQ's approval. Effective 11-1-02.

HB 2228 (Walker/Price): Amends the Oklahoma Floodplain Management Act to enable this state to effect a unified program for floodplain management and encourage counties and cities to attend floodplain development management classes and annual continuing education classes offered by the Oklahoma Water Resources Board. Effective 11-1-02.

HB 2330 (Maddux/Shurden): Amends the current statute governing the issuance of the Oklahoma Water Resources Board water permits for swine feeding operations which are located near camps or recreational sites. It authorizes the Board to take certain conditions into consideration before making a determination on the water permit. Effective 5-20-02.

HB 2349 (Liotta/Pruitt): Prohibits new or expanded poultry feeding operations from being located in 100 year floodplains, within 1 and 1/2 miles of a public water supply, within 1 mile of a designated scenic river, within 1 mile of a public drinking water well or 1 mile of any water body specified as an Outstanding Resource Water by the Oklahoma Water Resources Board. The measure further requires any land application of poultry waste be done in compliance with state law. Effective 8-23-02.

HB 2536 (Nations/Haney): Redirects a portion of revenues from the one-cent motor fuel assessment which previously were deposited to the Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund to a newly created Higher Education Facilities Revolving Fund. Purposes are funding construction of a weather center on the campus of the University of Oklahoma, and funding the purchase of equipment and renovation of facilities on the campus of Oklahoma State University for work on the application of advanced sensor technology for the detection of chemical and biological threats to homeland security. (NOTE: These provisions were further amended in HB 2598.) HB 2536 also requires the State Auditor and Inspector and the Director of State Finance to select an independent accounting firm to conduct an independent investigative audit of the books, records, accounts, files, programs, funds and services of the Petroleum Storage Tank Division of the Corporation Commission. Effective 3-19-02.

ENVIRONMENT FUNDING

The Legislature dedicated \$1 million to the implementation of the fifth year of the Beneficial Use Monitoring Program (BUMP). The program is designed to provide a comprehensive monitoring effort to protect the quality of the state's water resources.

The Legislature reduced the appropriations to the Water Resources Board by 6.1 percent (HB 2525) and the Department of Environmental Quality by 6 percent (HB 2537), targeting administrative costs, travel expenses, vehicle purchases and specific programs that had the ability to absorb the cuts. The Legislature's priority was to insure that there was no adverse impact on field services provided by the agencies.

CONSERVATION COMMISSION FUNDING

The Legislature reduced the appropriations to the Conservation Commission by 6.1 percent, targeting administrative costs, travel expenses, vehicle purchases and specific programs that had the ability to absorb the cuts. The Legislature's priority was to insure that there was no adverse impact on field services provided by the Department (HB 2511).

The Conservation Commission's cost-share program received \$1 million to fund locally led animal waste management, water quality and soil conservation priorities throughout the state to address non-point source pollution (HB 2526).

The Legislature also provided funding for two requests from local Conservation Districts, replacing a federal budget cut and an increase in liability insurance. Funding used for the salaries of district employees, \$175,000, was reduced by the federal government and replaced by the Legislature. The liability insurance for the local district offices has increased over 100 percent; the Legislature provided \$100,000 to help defray the cost of the coverage.

In addition, the Legislature appropriated \$250,000 to match federal funds made available to rehabilitate upstream flood control structures throughout the state. Out of the total 10,500 watershed structures in the United States, Oklahoma maintains 2,100 or 20 percent of the total number. Many of these structures will require rehabilitation and repair as they reach the end of their usable life within the next five years.

Funds were also made available to match federal funds for non-point source pollution implementation programs at Lake Wister, Fort Cobb, and Stillwater Creek.

GOVERNMENT MEASURES (COUNTY, MUNICIPAL, LOCAL)

SB 842 (Herbert/Nance): Relates to law enforcement. This act prohibits placing, stopping, parking or standing any vehicle within the boundaries of county owned property and public buildings; authorizes certain peace officers to seize property used in violation of this act and provides for a penalty for violating this act; provides for forfeiture and notice to be given; excuses peace officers in certain counties using a parking meter in an official capacity from paying a parking meter while parked on a city street; and modifies procedure regarding initiative petition for special elections. Effective 7-1-02.

SB 867 (Monson/Turner): Modifies the hours a voter may apply for an in-person absentee ballot to

Thursday and Friday from 8 a.m. to 6 p.m. and Saturday from 8 a.m. to 1 p.m. Effective 6-30-02.

SB 917 (Leftwich/Nance): Requires every fugitive to reimburse the county sheriff for the costs of apprehension, with exception upon certain occurrences the Governor's Contingency and Emergency Fund will be used to reimburse the county sheriff. Effective 4-19-02.

SB 963 (Leftwich/Nance): Amends the 911 Emergency Number Act by assessing a penalty of 10% of the original unremitted fee on telephone companies who do not remit their monthly fee on a timely basis to the local governing body. Effective 11-1-02.

SB 1232 (Harrison/Ferguson): Allows community action agencies to participate in the comprehensive professional risk management program for services related to a Head Start program or for transportation services to the public. Effective 11-1-02.

SB 1234 (Morgan/Stites, J. T.): Amends Enrolled House Bill No. 1435 of the 2nd Session of the 48th Oklahoma Legislature which concerns the Municipal Budget Act. Clarifies certain language in the House Bill. Effective 11-1-02.

SB 1249 (Douglass/Phillips): Provides for intangible property held for the owner or presumed owner by a municipality to be presumed abandoned after one year or more. States the procedures to be used by the municipality for disposal and defines terms. Effective 4-19-02.

SB 1445 (Price/Nance): Authorizes the Center for Local Government Technology to contract with state agencies and private entities to provide training. Allows the county sheriff to apply for law enforcement grants which would help fund the office of sheriff. Authorizes the sheriff in counties with a population greater than 400,000, or the chief of police of a municipality of greater than 200,000, to notify the city-county health department of any person arrested by county or city officers for prostitution. Requires a portion of the fines collected for prostitution to be forwarded to the city-county health departments. Effective 5-30-02.

SB 1682 (Smith/Askins): Modifies the electoral divisions of judicial districts in Oklahoma and Tulsa Counties. Effective 6-6-02.

HB 1435 (Nations/Morgan): Relates to the Municipal Budget Act. The act adds new definitions, modifies existing definitions and allows for certain funds whose sole purpose is for grants and capitol to be considered nonfiscal and excluded from the budget. Requires municipalities to prepare an appropriation for certain funds, sets a time period for submitting the budget to the State Auditor and Inspector, and clarifies the scope of certain transfers. Also requires each municipality that does not prepare an audit to

make a financial statement and specifies the format of the budget. Effective 11-1-02.

HB 1975 (Taylor/Price): Modifies the requirements for filing of plats with the office of the county clerk. Requires certain assurances by the developer that the roads will be built according to requirements and that it will be noted on the plat whether or not the roads will be maintained by the county. Effective 7-1-02.

HB 2083 (Kirby/Maddox): Relates to subdivision regulations. Requires approval by the municipal planning commission of each municipality before a plat or deed or other instrument concerning the subdivision of land within the corporate limits of a municipality is filed with the county clerk. This act provides for exemptions of certain land from the approval requirement with an exemption statement accompanying the deed or instrument to be filed. Effective 7-1-02.

HB 2095 (Gilbert/Williams): Authorizes the board of county commissioners of a county with a population of over 350,000 to compensate a pharmacist to distribute medical prescriptions and supplies to indigents. Effective 4-11-02.

HB 2133 (Lindley/Herbert): Makes changes to recorded restrictive covenants. Provides a method for creating a neighborhood association by an amendment. The amendment must be approved by the record owners of at least 60% of the parcels contained in the addition. The amendment provides procedures and requirements for implementing the amendment and provides for a procedure for the revocation of the amendment. Effective 11-1-02.

HB 2146 (Taylor/Price): Relates to the sale of county surplus property. States exception for surplus property consigned to sale at a Circuit Engineering District auction. Effective 11-1-02.

HB 2225 (Walker/Price): States the circumstances for the award of sidearm and badge to surviving spouse or next of kin of sheriffs and their deputies who die prior to retirement. Effective 11-1-02.

HB 2226 (Walker/Price): Relates to duties of county purchasing agents. This act modifies the maximum amount from \$5000 to \$7500 for purchase orders not subject to bidding procedures. Effective 11-1-02.

HB 2652 (Friskup/Wilkerson): Increases the size of volunteer fire departments for municipalities with population of 1,500 or less. Effective 11-1-02.

HB 2680 (Steele/Henry): Relates to building codes and municipal ordinances. Authorizes municipalities to adopt the New Jersey Smart Code building standard for the purpose of rehabilitation to existing

structures that were completed prior to November 1, 1985. Effective 11-1-02.

HB 2758 (Tyler/Stipe): Relates to the board of county commissioners and certification of county road mileage. Clarifies the requirements of cooperative agreements and modifies the method of computing county road mileage in municipalities with a population of less than 2,500 and roads in municipalities with a population of less than 5,000 that the county has agreed to construct, maintain, or repair. Effective 7-1-02.

HB 2889 (Ferguson/Dickerson): Changes noncollusion affidavit requirements so that the affidavit must accompany contracts of \$25,000 or more made by political subdivisions with architects, contractors, engineers, or suppliers of materials for construction projects; removes requirement that affidavit accompany each invoice of \$1,000 or more. Effective 7-1-02.

GOVERNMENT MEASURES (STATE)

SB 396 (Morgan/Paulk): Amends membership of certain boards, commissions and authorities upon Congressional redistricting. Effective 11-5-02.

SB 826 (Ford/Hiett): Relates to vacancies in Congress. Allows incumbents in certain offices to file their resignation to become effective on some date certain, allows the Governor to call a special election to fill the vacancy and makes provisions for the person elected to take such office on a specified date and to serve the remainder of the term. Effective 11-1-02.

SB 1202 (Haney/Mass): Unclassifies positions in the Department of Public Safety, Oklahoma State Bureau of Investigation, Oklahoma State Bureau of Narcotics and Dangerous Drugs Control Commission, Department of Agriculture, Food, and Forestry, Will Rogers Memorial Commission, and the Office of the State Fire Marshal. Effective 6-5-02.

SB 1245 (Ford/Vaughn): Modifies the approval for vacation of lots or plats and sets procedures for owners for replatting the lot or lots. The act also states that a replat or vacation of a plat shall not be deemed a termination of any restrictive covenants which are otherwise enforceable. Effective 4-15-02.

SB 1292 (Crutchfield/Roan): Provides for civil penalties for persons who place, park, stop or stand any vehicle contrary to any official sign near state buildings and property in Tulsa and Oklahoma counties. Makes it a misdemeanor for any person, alone or in concert with others and without authorization, to willfully disturb, interfere or disrupt state business, agency operations or any employee, agent, official or representative of the state or to refuse to disperse after proper notice. Effective 11-1-02.

SB 1350 (Dickerson/Askins): Relates to elections. This act provides for the following:

- ◆ Deletes certain references to town meeting poll-books;
- ◆ Modifies the compensation of the county election board secretaries;
- ◆ Requires a residence address at voter registration;
- ◆ Requires the State Election Board to promulgate rules to keep confidential the residence and mailing address of voters who are members of certain classes;
- ◆ Modifies the notice to the State Election Board of those persons convicted of a felony;
- ◆ Requires the filing fees to be deposited in the State Election Board Revolving Fund;
- ◆ Provides additional information for filing fee refunds;
- ◆ Adds qualification to selection of best bid on printing ballots;
- ◆ Requires the secretary of the county election board to determine numerical sufficiency of valid signatures on petition for recount;
- ◆ Provides for filling vacancy in elective county offices;
- ◆ Requires school districts and technology centers school districts to be open for all elections held by such districts and provides exceptions;
- ◆ Authorizes the use of private mail service to return absentee ballots;
- ◆ Limits persons who may witness signature of affidavits of persons who are unable to vote in person; and
- ◆ Allows returning members in military service and their family the right to vote under certain circumstances.

Effective 6-5-02, except Sections 3 and 7 are effective 7-1-03.

SB 1358 (Morgan/Webb): Provides that the Department of Central Services shall maintain a current inventory of all equipment tangible assets owned by state departments, boards, commissions, institutions, agencies of the state and the institutions comprising The Oklahoma State System of Higher Education, and the University Hospitals Au-

thority. Allows the Department to make periodic checks of the tangible assets of such entities. Effective 11-1-02.

SB 1381 (Dickerson/Askins): Affects how a governing board of any county, city or town, or school district may terminate certain contracts for equipment. Grants authority for the Director of the Department of Central Services to promulgate rules concerning state agency use of a state purchasing card. Allows the State Purchasing Director to assess a fee to state agencies for certain training. Effective 7-1-02.

SB 1384 (Dickerson/Dunegan): Eliminates certain salary cap on the Director of Data Processing for the Corporation Commission. Provides many clean-up provisions concerning the Office of Personnel Management. Also requires the Administrator of the Office of Personnel Management to promulgate rules to allow product vendors reasonable access to state employees. Effective 11-1-02.

SB 1395 (Williams/Vaughn): Provides that organ and bone marrow donation leave of absence for state employees be subject to approval by the Appointing Authority based upon the medical necessity. Effective 7-1-02.

SB 1453 (Leftwich/Deutschendorf): Requires the Office of Personnel Management to accept online forms from the Oklahoma Public Employees Association and other statewide associations for payroll deduction purposes. Effective 11-1-02.

SB 1495 (Haney/Mass): Allows the Department of Central Services to sell two tracts of land and deposit the proceeds with the General Revenue Fund.

SB 1684 (Morgan/Paulk): Changes the numbers of Senate Districts No. 49, 50, 51, 52 and 54 to 27, 28, 25, 30 and 36 respectively. Effective 6-5-02.

HB 1292 (Adair/Taylor): Increases the number of volumes for the 2001 Oklahoma Statutes from 6 to 7. Effective 2-7-02.

HB 1985 (Erwin/Herbert): Clarifies language in the Whistleblower Act. Effective 7-1-02.

HB 2026 (Davis/Haney): Creates the Oklahoma Historic Capitols Preservation Act for the purpose of preserving the former state and Native American capitols in Oklahoma on the National Register of Historic Places as part of the celebration of Oklahoma's statehood centennial. Effective 7-1-02.

HB 2030 (Benge/Herbert): Clarifies the role of the Department of Central Services in providing asbestos abatement services. Effective 7-1-02.

HB 2050 (Case/Muegge): Increases the maximum amount that may be expended from the Oklahoma

Alternative Fuels Conversion Fund per vehicle and fill or charge station. Effective 7-1-02.

HB 2056 (Webb/Coffee): Increases the amount for requiring competitive bidding by public trusts for construction, labor, equipment, material and repairs to \$25,000.00. Effective 11-1-02.

HB 2099 (Gilbert/Cain): Expands and clarifies the on-the-job employee performance recognition program established by the Office of Personnel Management. Effective 11-1-02.

HB 2238 (Ross/Horner): Modifies duties of The 1921 Tulsa Race Riot Memorial of Reconciliation Design Committee and the Oklahoma Historical Society. Increases membership of the Greenwood Area Redevelopment Authority to twenty members. Modifies and clarifies provisions related to the Tulsa Reconciliation Education and Scholarship Act. Provides a way for Oklahoma tax payers to make donations to the Tulsa Reconciliation Education and Scholarship Trust Fund. Effective 11-1-02

HB 2264 (Dunegan/Crutchfield): Provides payment for the difference in pay of a National Guard and Reservist's salary and the applicable state salary of state employees who are in the National Guard or Reserves when such persons were called to active or inactive service after September 11, 2001. This will occur during the period that Operation Enduring Freedom is in effect. Provides that substitute employees for such persons shall be unclassified and shall not count towards an agency's full-time equivalent limitation. Effective 6-5-02.

HB 2412 (Coleman/Herbert): Clarifies language concerning a state agency's duty to provide copies of financial audits. Creates the Legislative Review of State Audits Act. Requires agency bodies responsible for governing and administering an agency to review each audit that is submitted to the Legislature and submit a written agency response regarding the audit. Effective 11-1-02.

HB 2437 (Easley/Haney): Authorizes the Oklahoma Department of Libraries to contract for literacy services. Specifies the location of the State Library in the Allen Wright Memorial Library and the Jan Eric Cartwright Memorial Library in the State Capitol. Authorizes expansion of the Allen Wright Memorial Library for state records storage and archiving. Effective 7-1-02.

HB 2662 (Miller, Doug/Wilkerson): Repeals Section 158.1 of Title 47 of the Oklahoma Statutes and Section 553 of Title 57 of the Oklahoma Statutes. These statutes concern insurance on state-owned vehicles and equipment and the Department of Corrections' employee civil liability insurance or bond. Effective 11-1-02.

HB 2665 (Miller, Doug/Rabon): Clarifies language which allows a classified state employee who is on

call to receive a minimum of two hours of work if the employee reports to a work location while on-call. Effective 7-1-02.

HB 2779 (Glover/Robinson): Clarifies and allows employees and board members of rural water districts who participate in the Oklahoma Public Employees Retirement System to participate in the plans offered by the State and Education Employees Group Insurance Board. Effective 4-22-02.

HB 2874 (Gray/Leftwich): Amends sections of law and clarifies references concerning the Construction and Properties Division of the Department of Central Services. Clarifies that certain plans shall be the property of the State of Oklahoma. Expands a certain misdemeanor offense to consultants and persons performing architectural and surveying work for the state. Deletes a notice requirement by public agencies concerning certain proposals to award public construction contracts. Requires the State Construction Administrator of the Construction and Properties Division of the Department of Central Services to sign and execute all contracts and change orders as they relate to state agencies. Clarifies exceptions to certain provisions when a state agency has a licensed architect or licensed engineer as a full-time employee. Repeals Section 103.3 of Title 61 of the Oklahoma Statutes which relates to competitive bidding of construction of certain facilities. Effective 11-1-02.

HB 2924 (Toure/Smith): Amends, merges, consolidates, and repeals duplicate sections of law. Effective 3-8-02

HJR 1051 (Perry/Coffee): Proposes a constitutional amendment to authorize the Legislature to enact laws permitting state entities to limit contractual liability of persons providing certain goods or services to the state.

**HEALTH & HUMAN RESOURCES
MEASURES**

SB 696 (Robinson/Vaughn): Requires the Health Department and the Administrative Office of the Courts to begin discussions related to marriage and divorce data in Oklahoma and to make alternative recommendations for establishing statistical reports related to the data. Specifies who is responsible for posting of signage indicating that a location is smoke- or tobacco-free, and the size and placement of the signage. Effective 7-1-02.

SB 732 (Cain/Gilbert): Adds a definition of personal care to provisions related to community services workers and includes a new category of providers among the entities that are eligible to provide personal care services to the elderly and physically disabled. Establishes procedures for employing individuals as Medicaid personal care services providers

and for conducting a criminal history records search on such individuals prior to employment. Effective 11-1-02.

SB 820 (Williams/Benson): Creates the Joint Legislative Oversight Committee for Oklahoma Long-Term Care to review provisions related to long-term care including recommendations from previous studies and agency responses. Provides for subcommittees, officers, staffing and meeting frequency. The committee is to periodically report on its findings. Effective 7-7-02.

SB 1395 (Williams/Vaughn): Amends Section 2 of SB 1628 to include state agency appointing authority approval of the scheduling of state employee leave of absence for organ donation, with medical necessity being the primary determinant for approval. Recodifies the section from Title 63, Public Health and Safety, to the Oklahoma Personnel Act in Title 74. Effective 7-1-02.

SB 1512 (Cain/Lindley): Creates until June 30, 2005, the Strategic Planning Committee on the Olmstead Decision to develop a comprehensive, strategic plan of implementation for the State of Oklahoma regarding the Olmstead Decision. The lead staff function will be provided by the Department of Human Services and the Office of the Attorney General. The committee is required to submit a report of findings and recommendations by July 15 of each year. Effective 5-30-02.

SB 1572 (Monson/Mitchell): Requires the Joint Legislative Oversight Committee for the Oklahoma Health Care Authority to twice yearly review and evaluate the state Medicaid Program based on beneficiary eligibility categories. Changes the Committee's reporting date to the Governor, President Pro Tempore and Speaker from January 1 to February 1 of each year. Further provides that the Committee shall review proposed and adopted Health Care Authority rules at each Oversight Committee meeting. Effective 11-1-02.

SB 1608 (Cain/Eddins): Requires the State Board of Health to provide, contingent upon emerging technology and funding, newborn screening programs related to other genetic and biochemical disorders. Provides for early treatment and management in order to prevent retardation by providing information regarding the nature of the illness, examinations and follow-up measures. Effective 11-1-02.

SB 1609 (Morgan/Roggow): Addresses child abuse prevention as follows:

- ◆ Modifies the definition of a child advocacy center in the Oklahoma Child Abuse Reporting and Prevention Act to reflect three center classifications – nonurban, mid-level nonurban and urban.

- ◆ Provides for approval and review of freestanding multidisciplinary child abuse teams by the Child Abuse Training and Coordination Council (CATC) and automatically deems as a functioning team any team that has been accredited by the National Children's Alliance and whose full membership is in good standing and is not subject to CATC review and approval.
- ◆ Allows use of certain types of teams in existence prior to July 1, 1995, and exempts such teams from the requirement to develop a team in each county.
- ◆ Provides that the Department of Human Services shall disburse funds to child advocacy centers and multidisciplinary child abuse teams developed by district attorneys in each county.
- ◆ Adds mid-level nonurban child advocacy centers to the list of entities eligible to benefit from monies in the Child Abuse Multidisciplinary Account (CAMA) revolving fund.
- ◆ Deletes CAMA funding formula and defines entities eligible to receive CAMA funding.
- ◆ Establishes guidelines for determining the distribution of CAMA funds and requires disbursement by January 31 of each year instead of January 1, for carry over funds, and for return of unused funds.
- ◆ Authorizes the Department of Human Services to receive one half of one percent in administrative costs from the CAMA account.

Effective 7-1-02.

SB 1613 (Robinson/Benson): Allows the Oklahoma Health Care Authority, with regard to income deferral programs, to adopt a plan that provides for the investment of deferral amounts in contracts that offer a choice of underlying investment options. Requires contract-issuing companies to be licensed and doing business in the state. Effective 4-18-02.

SB 1624 (Cain/Lindley): Revises the Mental Health Code as follows:

- Modifies and adds definitions, including those defining mental illness, licensed mental health professional, person requiring treatment, and risk of harm to self or others;
- Modifies where involuntary commitment hearings may be held;
- Expands information deemed privileged and confidential to include written or recorded mental health and drug or alcohol abuse treatment information and the identity of those seeking

such treatment, and specifies conditions under which these restrictions on disclosure do not apply;

- Modifies provisions relating to a patient’s access to certain records and to the access of responsible family members and other interested parties to certain information;
- Specifies the elements of a valid written release for disclosure of mental health or drug or alcohol treatment information;
- Changes reimbursement for sheriffs and peace officers who transport minors or adults requiring mental health services to conform with the State Travel Reimbursement Act;
- Modifies provisions relating to the Board of Mental Health terms of office and requires Board to establish and maintain a system for resolving complaints of individuals receiving services;
- Authorizes the establishment of an Office of Consumer Advocacy within the Department of Mental Health and Substance Abuse Services, appointment of an Advocate General, and specifies powers and duties;
- Provides for the appointment of citizen advisory groups to assist in effective planning and delivery of mental health and substance abuse services; and
- Authorizes the Commissioner to establish hours for nonemergency patient admissions to mental health and substance abuse facilities.

Amends the Unified Community Mental Health Services Act as follows:

- Modifies and adds definitions, including those defining certified behavioral health case manager, case management, community mental health center, mental health facility, day treatment program, and program of assertive community treatment;
- Modifies the authority of the Department and of the Board;
- Provides for certification of community mental health centers;
- Deems certain personal information about board members, staff and certain volunteers not to be open records;
- Provides for certification of programs for treating batterers;

- Provides for certification of facilities and programs of assertive community treatment to provide community treatment for persons with serious mental illness or related disorders.

Amends the Oklahoma Alcohol and Drug Abuse Services Act as follows:

- Clarifies that the Commissioner may expend funds appropriated to the Department of Mental Health and Substance Abuse Services;
- Repeals language recreating the Alcohol and Drug Abuse Prevention, Training, Treatment and Rehabilitation Authority and gives the powers and duties of the Authority to the Board of Mental Health and Substance Abuse Services;
- Modifies provisions relating to certification of private facilities and organizations that provide services to alcohol- and drug-dependent persons;
- Conforms the confidentiality language found in this Act with changes made to the Mental Health Code confidentiality provisions;
- Modifies provisions relating to approval and operation of narcotic treatment programs.

Other amendments:

- Clarifies the work that a person receiving treatment for mental illness or alcohol- or drug-dependency may perform for a treatment facility and defines “work therapy”;
- Clarifies language relating to admission of persons to treatment facilities;
- Amends language relating to emergency detention and protective custody of individuals who have a mental illness with changes made to the Mental Health Code as follows:
 - ✓ Limits the emergency detention of a person requiring treatment to up to 72 hours, excluding week-ends and holidays, with certain exceptions, and specifies the conditions under which a person ordered to undergo alternative treatment may be detained in emergency detention;
 - ✓ Authorizes the family or guardian of an individual and certain professionals to request that the district attorney file a petition with the district court to determine if the individual has a mental illness and requires treatment;
 - ✓ Authorizes court to modify order for involuntary inpatient commitment and order alternative treatment;

- ◆ Modifies provisions relating to the detention of persons requiring alcohol or drug treatment as follows:
 - ✓ Authorizes the family or guardian of an individual and certain professionals to request that the district attorney file a petition with the district court to determine if the individual is alcohol or drug-dependent and requires treatment, and states information to be included in petition;
 - ✓ Requires court schedule hearing within 72 hours of petition being filed, provides jury trial option, and modifies provisions relating to hearing, commitment to treatment, and discharge from treatment.

Effective 11-1-02

SB 1628 (Williams/Vaughn): Renames the Oklahoma Organ Donor Education and Awareness Program Act the Cheryl Selman Organ Donor Education and Awareness Act. Grants state employees a time specific leave of absence to serve as a bone marrow or human organ donor with pay and without interruption of service. Prohibits penalties for requesting or obtaining the leave. Effective 7-1-02.

SB 1632 (Pruitt/Winchester): Requires the Department of Human Services to establish a voucher system for specified services under the Temporary Assistance for Needy Families (TANF) Program that allows redemption at participating private faith-based providers and federally recognized Indian tribes. Requires the Commission for Human Services to promulgate rules to enact the provisions. Effective 11-1-02.

SB 1635 (Wilcoxson/Stanley): Creates the Oklahoma Health Care Access Act. Directs the State Health Department to develop the "Volunteer Health Care Provider Program" to increase access to health care for all Oklahomans through the use of volunteers. Directs the Department to explore public-private partnerships as a method of increasing health care access and to report to the Legislature and Governor on or before December 1, 2002, including recommendations for necessary legislation. Effective 7-1-02.

SB 1641 (Cain/Blackburn): Changes from 13 to 18 years the maximum age at which any health insurer doing business in this state must provide coverage for audiological services and hearing aids for children. The coverage is limited to hearing aids prescribed, filled and dispensed by a licensed audiologist. The coverage may limit payable benefits to every 48 months; however, the coverage may also provide for up to four additional ear molds per year for children up to two years old. Effective 11-1-02.

SB 1645 (Monson/Mitchell): Creates the Oklahoma Medicaid Accountability and Outcomes Act. Subject to funding, requires the Joint Legislative Oversight Committee to contract for a study of the state Medicaid program to evaluate access to care, health care outcomes, and the quality and the cost of health care and related services delivered through Medicaid programs. Effective 11-1-02.

SB 1649 (Cain/Gilbert): Creates the 18-member Task Force on the Promotion of Children's Health to provide recommendations related to children's health. The task force is required to publish a report of its findings. Effective 8-23-02.

SB 1657 (Cain/Gilbert): Amends nursing home patients rights and responsibilities provisions to add a nursing facility's attending physician and a resident's personal physician to the list of entities to whom a resident or the resident's family members shall have the right to present grievances related to the resident's care or treatment in the nursing facility. Repositions language related to a nursing facility's duty to inform a resident of the right to hospice services. Effective 11-1-02.

SB 1658 (Pruitt/Winchester): Adds English as a second language to the types of services the Department of Human Services may contract for under the Temporary Assistance for Needy Families (TANF) Program. Includes faith-based organizations among the entities with which the Department is authorized to contract. Effective 11-1-02.

HB 2149 (Gilbert/Rozell): Renames, refocuses and expands the Inpatient Mental Health Treatment of Children Act to include substance abuse treatment, including substituting the term "minor" for the term "child" throughout the Act, and other provisions of law related to children, including conforming the definition of "child" and substituting the term "minor" in the Oklahoma Children's Code.

Expands methods of admission for mental health or substance abuse treatment of a minor to include admission by a peace officer. Provides for such officer's travel reimbursement.

Restates time frame for an objecting minor's admission for treatment, pursuant to a parent's application for such minor's admission to a mental health or substance abuse treatment facility, from three days to 72 hours.

Clarifies the role of the licensed mental health professional (LMHP) with regard to written findings and removes the requirement that the LMHP be independent.

Requires that an outpatient treatment and medication management follow-up appointment be included in the discharge plan for a minor discharged from inpatient treatment.

Finally, the Act provides that the position of any council member who is absent from four consecutive Youth Suicide Prevention Council meetings shall be considered vacant. The council chair may notify the original appointing authority of the vacancy and request another appointee to fill the position. Effective 7-1-02.

HB 2218 (Morgan/Williams): Addresses staffing issues for certain nursing and intermediate care facilities as follows:

- Maintains for one year present direct-care staff-to-resident ratios used by nursing facilities and intermediate care facilities for the mentally retarded (ICF-MRs) with seventeen or more beds (9-1-02 to 9-1-03). Effective 9-1-03, subject to funds availability, staffing ratio requirements will change **from** the present 1 direct care staff to every 7 residents between 7am to 3pm; 1 to 10 between 3pm to 11pm; and 1 to 17 between 11pm to 7am **to** 1:6, 1:8 and 1:15 at the same times.
- Allows facilities an option of varying starting times for eight-hour shifts by one hour before or after the statutory designated times.
- Effective January 1, 2004:
 - ✓ allows staffing ratio compliant facilities to implement flexible staff scheduling;
 - ✓ requires the facility to maintain a minimum direct-care service rate of at least 2.86 hours per resident per day;
 - ✓ prohibits the ratio in such facilities from falling below 1:16; and
 - ✓ requires at least two direct-care staff to be on duty and awake at all times.
 - ✓ requires noncompliant facilities to maintain present ratios for three months; specifies what constitutes noncompliance; and provides for subsequent eligibility for flexible staff scheduling privileges.
- Provides for State Department of Health monitoring and review of facilities with flexible staff scheduling privileges, including provisions for a directed plan of correction and a schedule of penalties based on occurrences.
- Effective 9-1-02, facilities must daily provide identifying information for the direct-care staff on duty.
- Requires the State Board of Health to promulgate rules for staffing requirements for ICF-MRs

with 6 or fewer beds and ICF-MRs with 16 or fewer beds, and for shift-based, staff-to-resident ratios for noncompliant facilities.

- Specifies a schedule for increasing direct-care, flexible staff-scheduling levels tied to increases in the state Medicaid program reimbursement rates, with an eventual direct-care, flexible staff-scheduling staffing level goal of 4.1 hours per day per occupied bed. Provides for staffing ratio level adjustments should the Medicaid reimbursement rate fall below actual audited costs.
- Specifies penalties and procedures for assessing penalties. Requires monies collected to be deposited in the Nursing Facility Quality of Care Fund pursuant to the provisions of the Oklahoma Healthcare Initiative Act.
- Requires the Health Department and the Health Care Authority to consult on the development of a single assessment tool to determine client services needs and deletes implementation date requirement.
- Deletes the November 1, 2003, requirement date for the Health Care Authority to develop a case mix Medicaid reimbursement system for all state-regulated long-term care providers.
- Deletes obsolete language related to a study of staffing, recruitment and retention of staff in nursing and specialized facilities. The study was completed in April, 2002.
- Requires development of a nursing facility cost-reporting system and quarterly and electronic submission as a means of estimating costs in determining daily per diem rates.
- Establishes conditions under which the Health Care Authority may apportion funding for implementation of flexible staff scheduling.
- Requires the Health Care Authority to apply for a waiver of the federal uniform requirement on health-care-related taxes and, upon approval, to develop a program to implement the waiver provisions as it relates to all nursing facilities.
- Requires the Health Department to establish a nontechnical services workers registry of abuse, verbal abuse or exploitation of a nursing facility resident.
- Requires the Board of Health to promulgate rules for the registry and includes parameters for such rules.
- Requires nursing facilities to conduct a criminal history records search upon any nontechnical services worker applicant and to consult the reg-

istry for an applicant's name prior to employment.

- Specifies procedures related to the registry and hiring of applicants for nontechnical services workers.
- Establishes penalties for violations of the non-technical services worker registry provisions.

Effective 7-1-02.

HB 2604 (Kirby/Maddox): Addresses the operation of nursing homes, the use and training of nurse aides, and State Department of Health matters as follows:

- Modifies composition of State Board of Health by requiring that one of the physician members to be an osteopathic physician;
- Modifies certificate of need provisions relating to the construction, modification, completion, and acquisition of long-term care facilities;
- Amends the Nursing Home Care Act to include management of a nursing facility under licensure provisions, to modify licensure procedures, to include insufficient financial and other resources or the closing of a facility as grounds for suspension or revocation of a license, and to provide for temporary suspension of the license of a facility that is closed for certain purposes;
- Creates the "Nursing Facility Administrative Penalties Fund" for the State Department of Health for monies received from administrative penalties imposed under the Nursing Home Care Act and specifies the purposes for which the monies may be spent;
- Authorizes the State Department of Health to serve notice of violation of the Nursing Home Care Act whenever inspection or investigation shows that the financial condition of a facility poses a risk to the operation of the facility or to the health or safety of its residents;
- Allows the Department to issue, without notice of hearing, an order for immediate action when it determines that an emergency exists and that action is needed to protect the health and safety of nursing facility residents and provides for related procedures;
- Includes financial condition of a facility under the provisions for taking remedial action against a nursing facility and extends these provisions to other nursing facilities having the same owner or operator;

- Authorizes the Department to provide for a temporary manager of a facility when financial conditions pose an immediate risk to the proper operation of the facility or to the health or safety of its residents and specifies conditions for releasing the temporary manager;
- Requires the Department to prescribe minimum standards for levels of supplies and for financial solvency;
- Adds requirements for owners of nursing facilities to notify the Department within twenty-four hours of certain events occurring and specifies the events;
- States conditions under which the Department is authorized to place a nursing facility under the control of a receiver and provides for related procedures;
- Modifies provisions relating to the use of individuals as nurse aides and to nurse-aide training, certification, and registration requirements. Includes misappropriation of resident or client property as an allegation for which a pending notation must be placed in the nurse-aide registry and for which any notice of a finding that the misappropriation has occurred must be made to certain parties and health-care facilities; and
- Deletes obsolete language relating to the licensure of drug or alcohol treatment facilities.

Effective 11-1-02.

HB 2605 (Kirby/Henry): Creates the Oklahoma Pharmacy Connection Program to improve access to prescription drugs for seniors and other citizens with no or inadequate health insurance or other resources for purchasing medically necessary prescription drugs. Directs the Department of Human Services to establish a program to provide information to consumers about manufacturer-sponsored prescription drug assistance programs. Establishes the 20-member Oklahoma Pharmacy Connection Council to assist the Department and to make recommendations regarding implementation of the program. Effective 5-30-02.

HB 2714 (Stanley/Cain): Establishes May as "Injury Prevention Month" in the state of Oklahoma. Effective 4-11-02.

HB 2719 (Case/Herbert): Addresses health benefit plans and the Service Warranty Insurance Act as follows:

- ◆ Requires employer health benefit plan carriers, upon written request from a covered employer who employs 50 or more full-time employees, to provide an information report on charges and

payments under the plan for a twelve month period. The act specifies reporting procedures and provides for penalties for failure to comply. The act directs the Insurance Commissioner to promulgate rules for implementation and administration of the act's provisions. Effective 6-5-02.

- ◆ Requires health benefit plans that provide prescription drug or device coverage to issue a card or other technology containing uniform prescription drug information as a means of streamlining dispensing of prescription products covered by third party payors. The Insurance Commissioner is to promulgate necessary rules and to enforce the act's provisions. Effective 11-1-03.
- ◆ Amends the Service Warranty Insurance Act to include provisions related to newly-constructed residential structures and their operative systems and to allow licensed attorneys, realtors, brokers and home inspectors to solicit, negotiate, advertise and effectuate service warranty contracts. The act further exempts such individuals from the registration and filing fee requirements of the act. Effective 11-1-02.

HB 2754 (Askins/Cain): Eliminates a parent's right to demand a jury trial at a deprived child adjudication hearing. Provides for a 90-day deferral of a delinquent or in need of supervision petition if a child participates in a graduated sanctions program, defined by the act as a program administered by the Office of Juvenile Affairs or as otherwise approved by the Court.

The Act adds conditions under which reasonable efforts to prevent removal from the home or to reunify a child with its family shall not be required, including a parent's prior history of child abuse or convictions such as manslaughter, murder or causing bodily harm to another child of the parent, and previous involuntary termination of parental rights with respect to a sibling of the child.

Requires the Department of Juvenile Justice to provide timely notice of and opportunity to be heard in six-month review hearings and twelve-month permanency hearings to the foster or preadoptive parent or other relative providing care to the child. Provision of such notice, however, does not include the right to standing as a party to the case.

Prohibits placement of a child in a jail, adult lockup or other adult detention facility without sight and sound separation for the child pursuant to certain standards.

Finally, the Act exempts Office of Juvenile Affairs-operated programs and facilities from the provisions of the Oklahoma Alcohol and Drug Abuse Services Act. Effective 11-1-02.

HB 2763 (Lindley/Monson): Requires the Oklahoma Health Care Authority to study the feasibility of implementing one or more disease state management programs and to periodically report its progress to the Joint Legislative Oversight Committee. The act requires the Authority, prior to a vote by the Medicaid Drug Utilization Review Board to consider expansion of product-based prior authorization, to provide information on estimated savings related to the expansion. The act specifies information to be included in the report and the Board meeting sequence by which the Board shall consider such expansions. Effective 6-5-02.

HB 2901 (Roach/Smith): Creates the Community Hospitals Authority in Tulsa, with a role similar to the University Hospitals Authority in Oklahoma City. Enables the three major hospitals in Tulsa, St. John and Hillcrest Medical Centers and St. Francis Hospital, to form a partnership to coordinate medical service delivery with the potential to better leverage state funding to maximize federal matching funds. The Authority, to be overseen by a six-member board, will be used to match private hospital dollars with federal Medicaid funds and could receive future state funding. The Authority will help fund indigent care at Tulsa hospitals without taking funds away from any other hospitals.

The six-member board overseeing the Authority is composed of the presidents of the University of Oklahoma and Oklahoma State University or their designees; an appointee of the governor with no direct affiliation with the universities or the hospitals; an appointee of the House speaker and an appointee of the Senate president pro tem; and the director of the Oklahoma Health Care Authority.

The Authority:

- ◆ cannot issue bonds, employ personnel or acquire any real property;
- ◆ can budget and expend money it places into its revolving fund, provided that local Authority money would be matched with federal money whenever possible; and
- ◆ cannot receive state appropriations, except those it is entitled to through the Medicaid Program, provided that any state money for the Tulsa hospitals be appropriated to the Oklahoma Health Care Authority, which can obtain federal matching funds that can be distributed to all hospitals in the state that care for indigent patients.

Effective 7-1-02.

HEALTH CARE AUTHORITY FUNDING

The Health Care Authority (OHCA) base appropriation for FY'03 was allocated in SB 1035. The agency received \$396,126,375 of its requested \$470,000,000 budget. The Legislature later appropriated \$53,000,000 to OHCA from the Rainy Day Fund (HB 2587). Of this amount \$6,500,000 is to be used as an FY'02 supplemental. The remaining \$46,500,000 is to be applied to the agency's FY'03 budget shortfall.

After all state appropriations are applied, the agency has a remaining FY'03 budget shortfall of \$27,373,625. The agency anticipates making up \$15,000,000 to \$20,000,000 of this shortfall by enacting several revenue enhancing mechanisms. However, these mechanisms, which generate additional federal matching dollars, must be approved by the federal government.

PUBLIC HEALTH FUNDING

As part of the 2001 Health Care Initiative, the Oklahoma State Department of Health (OSDH) was directed to initiate a comprehensive tobacco prevention and cessation program. The Legislature provided \$1,750,000 in funding toward this purpose for FY'03 (HB 2487).

The base appropriation for OSDH was reduced by 10 percent or \$7,143,662 for FY'03. Of that amount, \$3,571,831 was redirected to the Department of Mental Health and Substance Abuse Services (ODMHSAS). The Children First program, a low risk child abuse prevention program, received a targeted cut of \$2,000,000. These funds were redirected to ODMHSAS to fund a high-risk child abuse prevention program in Tulsa. Most other OSDH programs were reduced by 2 percent. The agency plans to offset the remainder of the budget reduction through administrative savings and the maximization of federal funds.

The Legislature redirected \$3,000,000 in projected FY'02 carry-over funds from the State Department of Health to the following agencies (HB 2487):

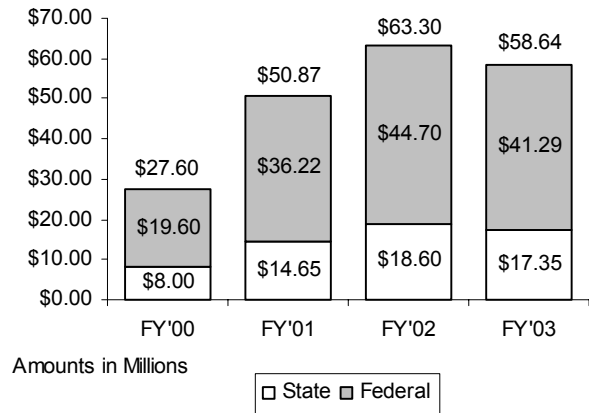
- ◆ The Oklahoma Department of Mental Health and Substance Abuse Services received \$2,150,000 to help defray the costs of meeting federal HIPPA requirements;
- ◆ The Office of Juvenile Affairs received \$250,000 to help defray the costs of meeting federal HIPPA requirements;
- ◆ The J.D. McCarty Center for Children With Developmental Disabilities received \$350,000 for the construction of its new center in Norman; and
- ◆ The University Hospitals Authority received \$250,000 to contract with the Lindsay Hospital

for the care and treatment of correctional inmates.

GRADUATE MEDICAL EDUCATION FUNDING

Since June 1, 1999, qualified teaching hospitals have received a supplemental payment adjustment for direct medical education (DME) expenses. Direct medical education payments are distributed to approximately 15 teaching hospitals based on the number of resident months at each participating hospital. The funds are made available by matching state dollars appropriated to the University Hospitals Authority with federal funds. The funding for this program was decreased by \$1,250,000 (SB 1033).

Direct Medical Education Funding History



MENTAL HEALTH & SUBSTANCE ABUSE FUNDING

The Department of Mental Health and Substance Abuse Services was held harmless from the FY'03 budget cuts that affected other state agencies. In addition, the Department received \$2,208,831 to fund a new high-risk child abuse prevention program at the Tulsa Women's Treatment Center. The center will treat approximately 80 mothers with substance abuse problems annually. The Center will also treat pregnant women, greatly reducing the chances of children being born with Fetal Alcohol Syndrome or other drug associated complications (SB 1027).

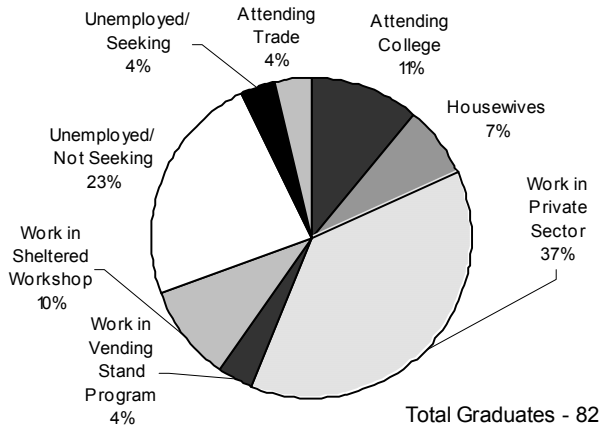
DEPARTMENT OF REHABILITATION SERVICES FUNDING

The Department of Rehabilitation Services (DRS) was appropriated \$25,576,817 for FY'03 (HB 2505). This represents a 1.5 percent budget reduction from their FY'02 state appropriation level. Both the School for the Deaf in Sulphur and the School for the Blind in

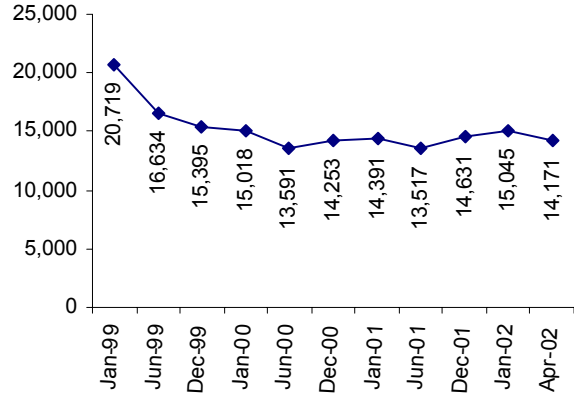
Muskogee are exempt from reductions in funding for FY'03. The Department of Rehabilitation Services will absorb the 1.5 percent budget reduction in programs that do not receive federal matching funds.

services or programs due to their FY'03 budget reduction, with the recent news of a deeper budget shortfall for FY'02, it is probable that DHS will have to make some programmatic cuts in FY'03.

**Oklahoma School for the Blind
Post Graduate Summary 1992-2001**



Actual Number of TANF Cases



Over the past several years, DHS has seen a decline in the number of TANF (Temporary Assistance for Needy Families) cases processed. TANF is a federally funded program that provides time-limited cash assistance to families in need. Although the number of families receiving this assistance has decreased from previous years, DHS has seen an increase in TANF cases recently, as a result of the poor economic conditions facing both Oklahoma and the nation.

CHILDREN & YOUTH SERVICES FUNDING

The Oklahoma Commission on Children and Youth (OCCY) was appropriated \$1,751,885 for FY'03 (SB 1154). This amount represents a 5 percent reduction in state funds from FY'02 after the removal of funding for the Court-Appointed Special Advocates (CASA) Program (\$365,317). OCCY will absorb this reduction through the use of federal funds that would otherwise be used to fund model projects in communities. As a result, fewer community model projects will be funded in FY'03.

One of the main functions of OCCY is to promote innovative programs that serve children through the funding of model projects. CASA was started in Oklahoma as a model project by OCCY in 1986 with 100 volunteers. Currently, the CASA program has over 1,000 volunteers. Due to the tremendous growth and success of this program, the Legislature transferred the program from OCCY, an agency primarily dedicated to starting innovative model projects and responsible for oversight of children's programs, to a more suitable permanent location with the Office of the Attorney General (SB 1154 and HB 2547).

HUMAN SERVICES FUNDING

The Department of Human Services (DHS) was appropriated \$410,923,039 for FY'03 (HB 2501). This represents a 1.3 percent decrease in their state appropriation level from FY'02. DHS will absorb the majority of this reduction through the use of FY'02 carry-over funds, enhanced federal revenues, and the transfer of funds from various programs. Although DHS had not anticipated any reductions in

INSURANCE & MANAGED CARE MEASURES

SB 19 (Capps/Benson): Prohibits giving or receiving reduced fire insurance rates for property located in a rural fire protection district to any person who has failed or refused to pay an assessment which supports the district. Establishes an administrative penalty for violation. Effective 11-1-02.

SB 1233 (Monson/Wells): Expands certain duties of the Board of Directors of the Health Insurance High Risk Pool. Requires the Board to adopt alternative plans in addition to the primary plan and to adopt a multi-tiered pharmacy benefit design. Authorizes the Board to implement a disease management program. Requires an annual report be made to the President Pro Tempore of the Senate, Speaker of the House of Representatives, and Governor concerning the status of the Health Insurance High Risk Pool and the effect of cost-containment measures implemented. Requires the board to hire a case manager or case managers.

Amends the date for the State and Education Employees Group Insurance Board to make rate adjustments. Authorizes the Oklahoma State Employees Benefits Council to renegotiate rates under extraordinary circumstances. Requires the State and Education Employees Group Insurance Board and

the Oklahoma State Employees Benefits Council to develop certain geographic service areas. Prevents the State and Education Employees Group Insurance Board and the Oklahoma State Employees Benefits Council from requiring health maintenance organizations to offer Medicare supplement plans. Allows health maintenance organizations to offer enhanced plans. Requires the Oklahoma Health Care Authority to conduct a certain feasibility study. Effective 7-1-02.

SB 1342 (Snyder/Phillips): Modifies the Service Warranty Act by deleting a reference to home warranties from an exclusion to the definition of "service warranty". Effective 11-1-02.

SB 1676 (Dickerson/Askins): Clarification of provisions related to women of certain ages receiving mammography screening services at no cost. Effective 4-15-02.

HB 2371 (Adkins/Pruitt): Modifies provisions relating to multiple employer welfare arrangements (MEWAs), including: modifying license eligibility requirements; requiring additional information and documents to be filed with the Insurance Commissioner; modifying bonding, insurance and cash reserve requirements; and reducing the amount of time a MEWA has to file certain reports. Effective 11-1-02.

HB 2911 (Adkins/Henry): Clean-up of various provisions related to insurance, including but not limited to: modifying certain fees, modifying required amount of surplus, prohibiting certain actions related to discount cards for health-related purchases, providing examination procedures under the Oklahoma Producer Licensing Act, authorizing Insurance Commissioner to waive certain bonding requirements, subjecting minimum premium charges to premium tax, modifying certain minimum nonforfeiture amounts, and providing for ambulance service membership subscriptions. Effective 11-1-02.

INTOXICATING LIQUOR, SMOKING & TOBACCO LAWS MEASURES

SB 977 (Morgan/Fields): Deletes references to identification stamps and wholesale beverage taxes. Effective 4-24-02.

SB 1504 (Robinson/Vaughn): Adds bidi cigarettes to the definition of tobacco products and includes bidis in the list of tobacco products prohibited for sale to a minor. Amends a Title 68 definition of a cigarette to include cigarette wrappers made of leaves or string. Effective 4-15-02.

SB 1553 (Robinson/Vaughn): Adds all state owned or operated buildings to the list of public places in which the possession of lighted tobacco in any form is a public nuisance and dangerous to public health, provided, each building may have one designated smoking room and the term "buildings" does not include up to 25% of any hotel or motel rooms in facilities where children under twenty-one years of age are not allowed. Adds option for county or municipal government owned or operated buildings to be designated entirely nonsmoking at the discretion of the county or municipal governing body. Specifies permissible usages and locations for a smoking room. Prohibits smoking within 25 feet of the entrance or exit of any building specified in the law. Effective 7-1-02.

HB 2256 (Fields/Shurden): Exempts certain service organizations and fraternal benefit societies from the requirement to pay an administrative fee assessed under the Alcoholic Beverage Control Act. Effective 4-19-02.

HB 2403 (Vaughn/Robinson): Requires the Attorney General to provide the Tax Commission with the names of tobacco product manufacturers which have failed to comply with statutory provisions relating to the Master Settlement Agreement. The Tax Commission must then post on its website and provide to distributors and wholesalers the names and brands of all non-participating or non-compliant manufacturers. The Attorney General must also cause such names to be published. All brands specified must be destroyed or returned, and a credit for taxes paid on these products may be allowed. Tax stamps cannot be affixed to cigarette packages if the manufacturer or brand is on the list. Illegally stamped cigarettes are declared to be contraband and are subject to forfeiture and wholesalers and manufacturers may be subject to license revocation or other penalties. Effective 8-23-02.

HJR 1036 (Adair/Taylor): Proposes a Constitutional Amendment to change the provisions relating to the Tobacco Settlement Endowment Trust Fund to allow certain fees paid to financial managers to be considered an administrative expense of the State Treasurer and to modify the formula for computation of interest earnings which may be expended by the fund's Board of Directors.

JUDICIARY/COURTS MEASURES

SB 981 (Smith/Benson): Prohibits court clerks from being subject to subpoena in matters relating to court records unless certain findings are made. Effective 11-1-02.

SB 986 (Smith/Askins): Increases fee for original transcripts of certain legal proceedings to \$3.50 per page. Effective 11-1-02.

SB 993 (Smith/Braddock): Clarifies when garnishment costs and attorney fees shall be awarded to judgment creditors or garnishees. Effective 4-8-02.

SB 1067 (Haney/Mass): Increases number of judges in Judicial District 21. Authorizes the Supreme Court to appoint a judge to enhance revenue collections for the courts by directing, managing and maintaining the Oklahoma Court Fund Collection System. Authorizes a temporary waiver of certain judicial training requirements. Effective 7-1-02 and 7-1-03.

SB 1329 (Cain/Gilbert): Authorizes a court to deny custody, guardianship or unsupervised visitation to a parent who has been convicted of certain child abuse offenses, has neglected to complete certain court ordered service or treatment plans, or is subject to the registration requirements of any Sex Offenders Registration Act. Establishes specific time periods for post-adjudication review boards to conduct reviews of out-of-home placements. Clarifies when the Department of Human Services can take a child into emergency custody. Provides for confidentiality of certain reports filed pursuant to the Oklahoma Child Abuse Reporting and Prevention Act, and creates a misdemeanor offense and provides punishment for violations. Modifies duties of the Department of Human Services under the Oklahoma Adoption Assistance Act. Adds exemptions to required waiting periods in an action for divorce. Effective 11-1-02.

SB 1458 (Smith/Benson): Modifies requirements for retention and destruction of certain court records. Modifies court fund reporting requirements. Limits the application of the Oklahoma Court Information System network, authorizes certain counties to request to be added to the network, and provides for legislative oversight. Modifies jury selection procedures. Limits liability of bondsmen in certain cir-

cumstances and modifies circumstances resulting in bond forfeiture. Effective 6-4-02.

SB 1538 (Cain/Vaughn): Removes social security numbers from certain public records related to child support, and provides for preparation and submission of certain summary forms to the Central Case Registry and to the court. Effective 11-1-02.

SB 1560 (Cain/Gilbert): Requires certain entities to develop guidelines for Court-appointed advocates for vulnerable adults programs to coordinate volunteers to serve as guardians ad litem for vulnerable adults. Lists qualifications and duties of court appointed advocates. Effective 7-1-02.

SB 1564 (Williamson/Vaughn): Authorizes courts with proper venue for child support collection to enforce orders of another court related to minor children. Effective 11-1-02.

SB 1571 (Henry/Toure): Clarifies that punitive damages must be awarded in a separate jury proceeding in certain cases. Specifies physicians that are covered by the Governmental Tort Claims Act. Limits liability of pharmacies and nursing facilities for participation in a program established by the Utilization of Unused Prescription Medications Act. Removes certain limitations on actions for damages for injury or death against a physician, health care provider or hospital. Effective 7-1-02.

SB 1642 (Helton/McCarter): Specifies when a court has jurisdiction over the installation and use of a pen register or a trap and trace device. Effective 5-8-02.

SB 1661 (Cain/Blackburn): Expands circumstances and specifies time frames under which a district attorney is required to file a petition for termination of parental rights. Modifies certain time frames for judicial review of case of deprived child. Establishes certain requirements related to guardianship and permanency plans. Specifies conditions and terms under which the Department of Human Services may place a child in an emergency situation. Effective 5-9-02.

HB 1939 (Toure/Henry): Modifies various civil procedure provisions, including but not limited to, provisions related to enforceability of judgments, attorney fees, offers of judgment, small claims procedure, mediation, subpoenas, evidence, discovery, depositions, and probate procedure. Effective 11-1-02.

HB 1971 (Wells/Morgan): Requires payment of a \$25 fee to the Secretary of State for "same day filing service" for applications for a notary commission, in addition to other applicable filing fees. Requires a notary commission number and date of expiration to be included on stamp or seal. Effective 4-11-02.

HB 2019 (Claunch/Herbert): Provides a purchaser of real property the option to retain possession of the abstract. Effective 11-1-02.

HB 2032 (Rice/Helton): Establishes that information provided to crime stoppers organizations by persons who wish to remain anonymous is privileged communication, and may only be presented to a court under certain circumstances and procedures. Effective 11-1-02.

HB 2105 (Lindley/Monson): Allows district or municipal courts to establish, pursuant to funds availability, mental health court pilot programs, utilizing special personnel and procedures in cases of criminal offenders who have a mental illness or a developmental disability, or who have a co-occurring mental illness and substance abuse disorder. Effective 7-1-02.

HB 2116 (Braddock/Henry): Gives the Director of the Oklahoma State Bureau of Investigation the power to authorize payment of certification, uniform and equipment expenses for certain individuals. Modifies requirements for the disposition of evidentiary property. Authorizes OSBI attorneys to appear in certain proceedings. Effective 11-1-02.

HB 2216 (Morgan/Coffee): Authorizes a photograph of a victim to be admissible in a prosecution for criminal homicide when offered to show the general appearance and condition of the victim while alive. Effective 11-1-02.

HB 2350 (Liotta/Dunlap): Establishes the Employer Health Insurance Purchasing Group Act which allows small employers (employing 100 full-time employees or less) to band together to form a Health Insurance Purchasing Group (HIPG) to purchase a health benefits plan for their employees and for dependents of their employees. The HIPG must offer at least two types of plans to its members: one plan that must include all state-mandated benefits and one plan(plans) that does not include all or some of the state-mandated benefits. Policies that do not include all state-mandated benefits must include a notice to the insured to this effect. Authorizes the Insurance Commissioner to promulgate rules to implement the provisions of the act. Effective 11-1-02.

HB 2397 (Vaughn/Williamson): Adds duties and responsibilities of a guardian ad litem in a child custody or visitation proceeding. Provides for automatic temporary injunctions upon filing of petitions for divorce, annulment or separation restricting parties from certain activities. Authorizes presiding district court judges to appoint court referees to hear certain cases. Effective 11-1-01.

HB 2400 (Vaughn/Coffee): Establishes the Victim Protective Order Task Force to study and prepare recommendations concerning the need for changes in the Protection from Domestic Abuse Act. Re-

quires report to be issued by December 1, 2002. Effective 7-1-02.

HB 2610 (Smith, H./Ford): Modifies procedures for the inspection, release, disclosure or correction of juvenile records. Effective 11-1-02.

HB 2729 (Pettigrew/Nichols): Prohibits employers from requiring employees to use leave for jury duty, and grants the employee the option of taking either paid leave or leave without pay. Effective 11-1-02.

HB 2783 (Glover/Stipe): Requires a court to consider a child's preference in a custody or visitation proceeding under certain circumstances, and requires specific findings of fact if the court does not follow the preference of the child. Effective 6-4-02.

HB 2850 (Case/Monson): For cases involving custody of, guardianship of, or visitation with a child, requires courts to make a determination regarding sex offenders. Adds circumstances that constitute a rebuttable presumption that it is not in the best interests of a child to have custody, guardianship or unsupervised visitation granted to certain persons. Requires the Office of Juvenile Affairs to coordinate the efforts of various state agencies and youth organizations to create an out-of-school resource center. Effective 11-1-02.

HJR 1051 (Perry/Coffee): Proposes a constitutional amendment to authorize the Legislature to enact laws permitting state entities to limit contractual liability of persons providing certain goods or services to the state.

LEGAL SERVICES FUNDING

Due to the budget shortfall, the Legislature earmarked funds for the courts to alleviate the anticipated FY'03 budget cuts.

The Court of Criminal Appeals was appropriated \$2,817,556 in SB 1065. This only amounted to a 1.6 percent budget cut. The court is looking to offset the cut by utilizing carry-over funds, eliminating purchases and reducing the number of research interns.

SB 1073 appropriated \$4,306,464 to the Workers' Compensation Court. This amounted to a 1.5 percent cut for the court. To manage this cut, the court plans to maintain FTE vacancies, and to reduce general operations expenditures and travel expenses.

The Legislature granted an appropriation of \$13,543,032 in HB 2561 for the Supreme Court. This amounted to a 2 percent reduction from last year's appropriation. To absorb this cut, the Supreme Court is planning to reduce travel and personnel costs by not using student interns and retired judges for fiscal year 2003.

The state's 77 district courts were provided an appropriation of \$40,897,067 in HB 2553. This resulted in a 0.7 percent cut to the district courts. The district courts are planning to not fill FTE vacancies and reduce travel to help absorb the cut.

Within the agency's appropriation, the district courts also received several new positions:

- ◆ One district judge
- ◆ Two secretary-bailiffs
- ◆ One court reporter

The Oklahoma Indigent Defense System (OIDS) was appropriated \$15,440,273 in HB 2557. This was a 3.8 percent reduction in appropriated funds from their original FY'02 appropriation. OIDS has proposed reducing the funding for expert and investigator services as a way to manage the budget reduction. Within the OIDS' appropriation, \$200,000 was appropriated for one-time expenditures associated with OIDS moving off the University of Oklahoma's Norman campus. OIDS is planning to move into the old Southwestern Bell building in Norman in July of 2002.

The Council on Judicial Complaints received stable funding for FY'03 with an appropriation of \$301,681 in SB 1069.

MOTOR VEHICLE MEASURES

SB 22 (Herbert/Case): Allows special license plates to commemorate the 200th anniversary of the founding of the United States Military Academy at West Point. Such plates may be obtained for a fee of \$5 in addition to regular vehicle registration fees. Effective 3-25-02.

SB 966 (Cain/Tyler): This act provides an alternative method of driver license testing to persons who only understand Spanish, subject to the availability of funds. Effective 11-1-02.

SB 968 (Helton/McCarter): This act sets requirements for wrecker and towing services to be placed upon the official state rotation log and provides for exceptions to the requirements. Effective 6-4-02.

SB 983 (Herbert/Matlock): Makes various changes relating to tagging and titling manufactured homes, as follows:

- Modifies requirements for payment of taxes and fees prior to transporting manufactured home and modifies contents of manufactured home permit;

- Specifies procedures for surrender of title of manufactured home if permanently affixed to real estate; and
- Modifies procedures for repossession affidavits and display of tags and decals.

Effective 7-1-02.

SB 1248 (Morgan/Ingmire): Allows special license plates for Oklahoma FFA for a \$25 fee. A portion of the fee is deposited to the Oklahoma Department of Career and Technology Education Agriculture Revolving Fund. Effective 7-1-02.

SB 1301 (Snyder/Phillips): Provides for confidentiality of motor vehicle collision reports for 60 days after a report is filed with the Department of Public Safety, except to certain parties. Creates a misdemeanor offense and provides punishment for violations. Effective 11-1-02.

SB 1413 (Monson/C. Pope): Allows transfers of titles of stolen vehicles to certain insurers without a visual inspection; allows motor vehicle information to be released to motor vehicle manufacturers or their representatives in connection with matters of motor vehicle or driver safety and theft, motor vehicle emissions, product alterations, recalls or advisories, performance monitoring, parts and dealers, market research and removal of non-owner records, and for use in connection with operation of private toll transportation facilities; and allows a credit against registration fees for vehicles which are replacements for vehicles destroyed by the October 9, 2001, tornado. Effective 7-1-02.

HB 1290 (Turner/Shurden): Prohibits installation or reinstallation of any object in lieu of an airbag that was designed for a particular automobile. Provides penalty and fine. Effective 7-1-02

HB 1982 (Leist/Shurden): Authorizes municipalities to enact and municipal police officers to enforce ordinances penalizing persons in passenger cars who are not following the mandatory seat belt usage law. Effective 11-1-02.

HB 1986 (Erwin/Shurden): Provides that each motor license agent appointed after 7-1-02 will be furnished a camera by the Department of Public Safety if, based upon the number of driver licenses issued during the preceding year, at least 1,200 licenses will be issued per year per camera within the municipality and at least 1,200 will be issued per year per camera within the county. Deletes previous procedures for repayment to the Department if fewer than 1,200 licenses are issued per year per camera. Effective 7-1-02.

HB 2067 (Covey/Capps): Relates to certain offenses regarding railroad crossings. Specifies periods of disqualification of commercial driver license for a

first, second or third or subsequent offense and adds a requirement for the operator of any Class A, B, or C commercial vehicle not required to stop at all railroad crossings to slow down and check that the tracks are clear of an approaching train. Also expands the actions which constitute a violation of the Motor Carrier Safety and Hazardous Materials Transportation Act by changing the civil penalty to an administrative penalty. Effective 10-1-02.

HB 2186 (O'Neal/Crutchfield): Modifies requirements for drivers of vehicles to yield right-of-way when approaching or entering the following intersections:

- ◆ On a county road approaching an intersection with a state or federal highway;
- ◆ On an unpaved county road upon approaching an intersection with a paved county road;
- ◆ On a county road which ends at, merges with, or does not continue directly across an intersecting through county road, upon approaching the intersection with the through county road.

Effective 11-1-02.

HB 2196 (Webb/Laughlin): Authorizes the Department of Public Safety to prepare copies of videotape recordings, when held as a record of the department, and deliver the recording upon request to any person. Effective 4-17-02

HB 2278 (T. Pope/Wilcoxson): Clarifies that the Oklahoma Mustang Club special license plates may only be issued to club members and allows the issuance of "Choose Life" special license plates. Effective 11-1-02.

HB 2302 (McCarter/Helton): Removes obsolete language and recodifies language relating to motor vehicles to appropriate areas of the statutes. Effective 11-1-02

HB 2335 (Peterson/Ford): Establishes the minimum amount of hours a person must take in an accident prevention course. Also modifies the amount of the enrollment fee and course hours for defensive driving courses. Effective 11-1-02.

HB 2355 (Dunegan/Wilkerson): Authorizes the Oklahoma Capitol Improvement Authority to purchase property for laboratory buildings for the Oklahoma State Bureau of Investigation. Effective 11-1-02

HB 2375 (Roan/Crutchfield): Relates to the Oklahoma Boating and Safety Regulation Act. Redefines vehicle to include a vessel and deletes obsolete definitions. This act authorizes an officer of any law enforcement agency to deem a vessel abandoned and directs the officer to have the vessel removed. Also,

it provides for notification to the Department of Public Safety and to the Oklahoma Tax Commission, establishes time periods for notices to be sent by the Tax Commission to the owner or the lien holder of the removal, establishes a hearing process, authorizes the owner or lien holder to regain possession of the vessel in certain circumstances, and authorizes the sale of the vessel to satisfy any indebtedness. If the owner of the vessel is not known, requires the proceeds, after paying the debt, to be deposited in the General Revenue Fund. Effective 7-1-02.

HB 2673 (Tyler/Smith): Relates to substances thrown or left on highways from a wrecked or damaged vehicle. Clarifies the responsibility for costs of removal of the vehicle and for any glass or other substances left on the highway. This act modifies who may regain possession of a vehicle when it is released from storage. Effective 11-1-02.

HB 2762 (Newport/Laughlin): Authorizes any employee who is employed in the Driver License Examining Division, Driver Improvement Division, or a wrecker inspector/auditor of the Wrecker Service Division to drive their state-owned vehicles from their place of residence to their place of employment in performance of the employees official duty. Effective 7-1-02.

HB 2785 (Glover/Robinson): Eliminates the exception for a non-resident driver transporting a child in this state. Effective 11-1-02.

PROFESSIONS & OCCUPATIONS MEASURES

SB 883 (Morgan/Stanley): Limits situations in which an independent medical examiner may perform certain surgeries. Effective 11-1-02.

SB 925 (Morgan/Hilliard): Modifies the time frame and circumstances for renewal of an apprenticeship license under the Funeral Services Licensing Act. Effective 11-1-02.

SB 928 (Herbert/Cox): Adds residency requirements to qualification for licensure as a podiatrist. Updates the Podiatric Medicine Practice Act to conform with current podiatric practices. Effective 11-1-02.

SB 975 (Shurden/Gray): Amends the Oklahoma Chiropractic Practice Act by: making modifications to the Board's number and its duties; modifying requirements for application for licensure; establishing new requirements for applicants relocating a practice into the state; increasing the fee and continuing education requirement for license renewal; increasing the fee for reduced renewal license fee and for reinstatement; authorizing the Board to apply for a court order; and decreasing the amount of additional malpractice insurance coverage required by indi-

viduals engaging in animal chiropractic. Effective 11-1-02.

SB 1250 (Herbert/Fields): Authorizes the Department of Health to establish and levy administrative fines against individuals practicing the profession of barbering without a license. Establishes maximum fines and clarifies application of the requirements with respect to employment of an unlicensed barber. Effective 11-1-02.

SB 1369 (Snyder/Fields): Amends the Home Inspection Licensing Act by extending the date after which home inspections must be performed by a licensed individual. Modifies existing fees and establishes new fees relating to home inspection licensing. Deletes time limit on licensing without examination for specified individuals. Provides for refund of certain licensing fees paid. Effective 5-24-02.

SB 1429 (Fisher/Askins): Amends the Oklahoma Accountancy Act, including: modifying requirements for certification and licensure; defining terms and establishing criteria for substantial equivalency; authorizing temporary practice by firms licensed outside the state; and modifying continuing education requirements. Effective 7-1-02 (Section 6) and 11-1-02 (all other sections).

SB 1432 (Snyder/Fields): Provides the Construction Industries Board with additional authority. Establishes limits on specified fees which may be charged by the Board. Provides for licensing by reciprocity if certain conditions are met. Establishes Board authority for setting licensing fees by rule. Requires licensed building and construction inspectors to be granted access to certain sites. Modifies the makeup of certain boards operating under the general jurisdiction of the Construction Industries Board. Effective 7-1-02.

SB 1542 (Monson/Winchester): Clarifies that provisions related to credentialing of physicians and other health care providers by health benefit plans also apply to the recredentialing of those same providers. Effective 11-1-02.

SB 1584 (Monson/Blackburn): Amends the Oklahoma Child Care Facilities Act to require development of a single child care center licensure standard for use by state and municipal representatives as a means of eliminating parallel and duplicative systems. Effective 1-1-03.

HB 1353 (Vaughn/Robinson): Modifies the criteria for application for licensure and the criteria for licensure for a licensed electrologist. Effective 5-6-02.

HB 1397 (Gray/Dickerson): Modifies the curriculum to be taught for licensure of cosmetologists by cosmetology schools. Clarifies the requirements for an instructor's license. Effective 11-1-02.

HB 1981 (Claunch/Williamson): Modifies the non-disclosure requirements which apply to licensed professional counselors. Effective 4-19-02.

HB 2009 (Phillips/Coffee): Modifies various provisions and licensure requirements for mortgage brokers. Requires licensing of mortgage loan originators. Modifies the makeup of the Mortgage Broker Advisory Committee. Establishes continuing education requirements for renewal of a license. Effective 7-1-03

HB 2078 (Adkins/Cain): Regarding the Oklahoma Allopathic Medical and Surgical Licensure and Supervision Act, this act:

- ◆ Includes programs of study in England, Scotland and Ireland as options for post graduate medical training;
- ◆ Specifies conditions for use of clerkships by foreign applicants and documentation;
- ◆ Clarifies actions to be taken by the State Board of Medical Licensure and Supervision with regard to unprofessional conduct;
- ◆ Clarifies procedures for surrender of a license in lieu of disciplinary action; and
- ◆ Removes mandated peace officer commission for investigators hired by the Board.

Effective 5-8-02.

HB 2109 (Covey/Price): Amends the Oklahoma Veterinary Practice Act, including: establishing new categories of professionals who may render treatment to animals; modifying the powers and duties of the Veterinary Board relating to criminal record searches; and prohibiting certain actions. Effective 11-1-02.

HB 2162 (Paulk/Leftwich): Creates two separate task forces to study the increasing shortage of licensed nurses and certified school nurses in this state. Effective 5-30-02.

HB 2163 (Paulk/Snyder): Modifies the Mechanical Licensing Act by adding a reference to exhaust systems to the definition of "sheet metal". Effective 4-17-02.

HB 2715 (Stanley/Taylor): Expands the definition of "practice of pharmacy" to include the administration of drugs and authorizes pharmacists who have completed an approved training program to administer immunizations under certain conditions. Authorizes the Board of Pharmacy to administer oaths, take evidence, and compel the attendance of witnesses on matters pertaining to enforcement of the Oklahoma Pharmacy Act. Increases the maximum fine for a violation of the Act from \$500 to \$1,000 and in-

cludes additional continuing education and participation in a rehabilitation program as disciplinary options. Deletes the statutory maximum for registration renewal and modifies the annual registration date. Requires information obtained during an investigation by the Board to be confidential and excludes this information from the definition of an open record. Effective 6-5-02.

HB 2719 (Case/Herbert): In addition to addressing health benefit plans, the bill amends the Service Warranty Insurance Act to include provisions related to newly-constructed residential structures and their operative systems and to allow licensed attorneys, realtors, brokers and home inspectors to solicit, negotiate, advertise and effectuate service warranty contracts. The act further exempts such individuals from the registration and filing fee requirements of the act. Effective 11-1-02.

**PUBLIC EMPLOYEE RETIREMENT/
INSURANCE/PAY/BENEFITS MEASURES**

SB 405 (Monson/Askins): Amends the retirement provisions for firefighters in the Oklahoma Military Department. The bill requires future members to participate in the new retirement benefit plan and allows current members to elect to participate. Provides a 20-and-out type of retirement plan and increases the employee contributions to 8% for those who participate. Also provides a 2 ½ % multiplier for such participants. Effective 7-1-02.

SB 510 (Helton/Nance): Modifies the disability benefit for police officers who receive a permanent in-line-of-duty disability. Provides a benefit equal to 50% of the normal disability benefit for those officers who are determined to be less than 50% disabled. Further, it creates a presumption of an in-line-of-duty disability for disabilities related to certain exposure to hazardous substances and blood-borne pathogens. Clarifies that such presumption shall only be used for disability retirement purposes. Effective 7-1-02.

SB 939 (Morgan/Roberts): Extends the benefits offered by the Oklahoma State and Education Employees Group Health and Life insurance plans to secretaries of each county election board in counties that do not already participate in such plans. Election and application by the secretary is required. Effective 11-1-02

SB 1223 (Morgan/Stites): Amends the normal retirement date and benefit caps for members in the Uniform Retirement System for Justices and Judges. It also amends the employer contribution for the System. Allows some of the state retirement system boards to employ attorneys and be excepted from representation by the Attorney General. Allows the Board of the Oklahoma Public Employees Retirement System to define compensation for retirement

purposes. Removes the requirement that a spouse must be a named beneficiary to receive retirement benefits upon the death of certain members. Clarifies language concerning benefits for certain employees that are transferred to entities under the Board of Regents of the University of Oklahoma. Effective 7-1-02.

SB 1231 (Morgan/Stites): Provides a cost of living adjustment for retired members of the Teachers' Retirement System of Oklahoma who have been receiving benefits as of June 30, 2001. The amount of the COLA is equal to 3% for those with fewer than 30 years of credited service and 4% for those with 30 or more years of credited service. Effective 7-1-02.

SB 1233 (Monson/Wells): Expands certain duties of the Board of Directors of the Health Insurance High Risk Pool. Requires the Board to adopt alternative plans in addition to the primary plan and to adopt a multi-tiered pharmacy benefit design. Authorizes the Board to implement a disease management program. Requires an annual report be made to the President Pro Tempore of the Senate, Speaker of the House of Representatives, and Governor concerning the status of the Health Insurance High Risk Pool and the effect of cost-containment measures implemented. Requires the board to hire a case manager or case managers.

Amends the date for the State and Education Employees Group Insurance Board to make rate adjustments. Authorizes the Oklahoma State Employees Benefits Council to renegotiate rates under extraordinary circumstances. Requires the State and Education Employees Group Insurance Board and the Oklahoma State Employees Benefits Council to develop certain geographic service areas. Prevents the State and Education Employees Group Insurance Board and the Oklahoma State Employees Benefits Council from requiring health maintenance organizations to offer Medicare supplement plans. Allows health maintenance organizations to offer enhanced plans. Requires the Oklahoma Health Care Authority to conduct a certain feasibility study. Effective 7-1-02.

SB 1242 (Stipe/Roberts): Amends the normal retirement date and retirement benefits for fugitive apprehension agents upon payment of certain employee contributions and 10% interest. Also requires fugitive apprehension agents to pay a higher 8% employee contribution for retirement purposes. Amends the treatment of "final average compensation" computation for correctional officers, probation and parole officers and fugitive apprehension agents. Effective 7-1-02.

SB 1243 (Morgan/Corn): Changes the quarterly financial report of all State and Education Employees Group Insurance Board funds to be based on a calendar year instead of fiscal year to coincide with the change to the plan year. Eliminates a provision re-

quiring the Board to provide HEDIS (Health Plan Employer Data and Information Set) data to the Oklahoma State Employees Benefits Council. Provides that emergency rules in effect as of the first day of session shall not become null and void until January 15 following sine die adjournment. Deletes certain obsolete language. Effective 7-1-02.

SB 1299 (Rozell/Webb): Requires mutual consent before a network provider facility or physician contract with the State and Education Employees Group Insurance Board may be amended. Effective 7-1-02.

SB 1366 (Monson/Ingmire): Requires the Oklahoma Public Employees Retirement System to pay any applicable benefits to any of the beneficiaries that have completed all required paperwork regardless of whether or not all beneficiaries have completed necessary paperwork. Effective 7-1-02.

SB 1376 (Morgan/Stites): Increases the dedicated revenue amounts that have been earmarked for the Teachers' Retirement System of Oklahoma. Effective 7-1-02.

SB 1377 (Monson/Ingmire): Clarifies that certain non-state employees may participate in the plans offered by the State and Education Employees Group Insurance Board upon retirement. Allows the medical supplement to be provided to certain Oklahoma Public Employees Retirement System members whose employers have ceased participation in the plans offered by the State and Education Employees Group Insurance Board. Effective 7-1-02.

SB 1385 (Morgan/Askins): Requires the Oklahoma State Employees Benefits Council and the State and Education Employees Group Insurance Board to offer every vision plan that provides notice by August 15th each year and that meets certain criteria. Effective 7-1-02.

SB 1456 (Williams/Roberts): Clarifies language and sets a date for election for certain Teachers' Retirement System of Oklahoma members to retain membership. Allows certain employees of the Oklahoma Commission for Teacher Preparation to retain membership in the Teachers' Retirement System of Oklahoma. Effective 7-1-02.

SB 1484 (Shurden/Erwin): Clarifies that the contracted claims administrator for the State and Education Employees Group Insurance Board shall make reimbursement for clean claims within 45 days of receipt of the claim. Effective 7-1-02.

HB 1660 (Staggs/Robinson): Provides various clean up provisions affecting the Teachers' Retirement System of Oklahoma and the Oklahoma Public Employees Retirement System including necessary Internal Revenue Code provisions. Allows the Board of the Oklahoma Public Employees Retirement System to define compensation for retirement purposes.

Clarifies an option for death benefits for spouses who may not have been named beneficiary prior to death of the member but only if certain benefits have not been already distributed. Effective 7-1-02.

HB 1719 (Staggs/Monson): Provides two additional members to the Oklahoma State Pension Commission to be appointed by the Governor. Grants new duties to the Commission concerning reviewing and making recommendations concerning the state retirement systems. Requires the state retirement systems to make annual reports to the Commission based upon uniform actuarial assumptions. Effective 7-1-02.

HB 2058 (Adair/Morgan): Allows dependents of certain participants in the State and Education Employees Group Insurance Program to continue life insurance. Modifies the base amount of life insurance that may be continued to equal the basic life insurance amount of Twenty Thousand Dollars (\$20,000). Allows the surviving spouse to continue the benefits authorized under the State and Education Employees Group Insurance Act even if he or she remarries or becomes eligible for other group health insurance. Effective 7-1-02.

HB 2122 (Stites/Morgan): Applies certain Internal Revenue Code provisions to the Oklahoma Law Enforcement Retirement System. Effective 7-1-02.

HB 2124 (Stites/Morgan): Provides a cost of living adjustment for certain persons receiving benefits from the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Uniform Retirement System for Justices and Judges, the Oklahoma Law Enforcement Retirement System and the Oklahoma Public Employees Retirement System. Effective 7-1-02.

HB 2148 (Askins/Cain): Requires reviews of health insurance plans' evidence of coverage, including the Oklahoma State and Education Employees Group Insurance Board, to assess inclusion of preventive medical services and disease management programs in covered services. Requires a report of findings by June 1, 2003.

HB 2166 (Easley/Robinson): Clarifies provisions in the Oklahoma Firefighters Pension and Retirement System to allow a surviving dependent who has not married to retain a pension benefit if such dependent is disabled. Allows a surviving spouse who remarries prior to June 7, 1993, to be eligible for the pension benefit regardless of whether the member died in the line of duty. Effective 7-1-02.

HB 2212 (Corn/Crutchfield): Prevents a reduction of employer contributions for members of the Oklahoma Law Enforcement Retirement System who are mobilized in an emergency and who are in the Oklahoma National Guard or Reserves. Provides a new retirement benefit structure for Oklahoma Law En-

forcement Retirement System members to be based upon active member salaries. Effective 7-1-02.

HB 2309 (Stites/Morgan): Applies certain Internal Revenue Code provisions to the Oklahoma Firefighters Pension and Retirement System. Makes certain provisions concerning disability retirement related to infectious disease effective retroactively on November 10, 1999. Clarifies language concerning certain physical examinations. Allows certain trustee-to-trustee transactions for purchase of service credit. Effective 7-1-02.

HB 2311 (Stites/Morgan): Deletes obsolete language concerning the eligibility to participate in the Oklahoma Law Enforcement Retirement System for certain members. Terminates further participation for certain members who are no longer in a covered position. Amends the date for the system's annual report. Clarifies who is eligible to take advantage of enhanced service disability and provides a new benefit for dependents of certain disabled members. Extends the death benefit to vested members. Amends certain portions relating to the administration of disability benefits. Extends certain tuition waiver to the children of certain disabled members. Allows a spouse to receive the medical supplement and allows continuation of health care for a surviving spouse and dependents under certain circumstances. Effective 7-1-02.

HB 2344 (Staggs/Crutchfield): Raises to \$30,000 per year or 1/2 of the member's final average salary, whichever is less, the amount a retired member of OTRS who is 62 or older may earn from a public school without lowering retirement benefits. Raises to \$30,000 a year the amount a member of OTRS who has been retired for at least 36 months may earn from a public school without lowering retirement benefits. Defines post-retirement employment to include retiree's performance of duties as an employee of a corporation hired by a school district. Requires school district to pay OTRS contributions for retirees hired by district. Effective 7-1-02.

HB 2383 (Roan/Shurden): Provides that the death benefit provided by the state retirement systems be treated as life insurance proceeds for tax purposes. This provision is contingent upon approval by the Internal Revenue Service. Effective 7-1-02.

HB 2670 (Roberts/Stipe): Allows certain members of the Teachers' Retirement System of Oklahoma who are absent from the teaching service because of an election or appointment to a local, state or national education association, and who continue to make certain contributions to OTRS, to be able to retire from OTRS without later returning to work with a covered employer. Effective 7-1-02.

Cost of living increases for retired employees of the various retirement systems was a major concern for the Legislature. The Legislature took action by approving two measures that will help retired members keep up with inflation.

SB 1231 was sent to the Governor May 20, 2002. The bill provides a 3 percent across-the-board COLA for all retired members of the Oklahoma Teachers' Retirement System (OTRS) with less than 30 years of service credit. It provides a 4 percent COLA for those members with 30 or more years of service credit.

HB 2124, another COLA bill, provides increases for the remaining retirement systems. The details for each system are listed below:

Public Employees

- ◆ 5.0% - Retired members with less than 25 years of service credit.
- ◆ 5.5% - Retired members with 25 – 29 years of service credit.
- ◆ 6.0% - Retired members with 30 or more years of service credit.

Law Enforcement

- ◆ 5.0% - Across-the-board increase

Police

- ◆ 5.0% - Across-the-board increase

Fire

- ◆ 5.0% - Across-the-board increase

Judges

- ◆ 5.0% - Across-the-board increase

**OKLAHOMA TEACHERS'
RETIREMENT SYSTEM FUNDING**

The Legislature also took action to increase state dedicated revenues directed to the Oklahoma Teachers' Retirement System (OTRS). SB 1376 will increase the amount of state revenue that flows into the OTRS each year, ultimately cutting its unfunded liability in half. A schedule of the increase and the associated increase in revenue to the retirement system is listed below:

July 1, 2002 – June 30, 2003	3.54% No Impact
July 1, 2003 – June 30, 2004	3.54% No Impact
July 1, 2004 – June 30, 2005	3.75% \$10,177,561

PUBLIC EMPLOYEES FUNDING

July 1, 2005 – June 30, 2006	4.0%
	\$20,961,758
July 1, 2006 – June 30, 2007	4.5%
	\$43,746,278
July 1, 2007 – and thereafter	5.0%
	\$66,530,798

- Requires the Board of Investors of the Tobacco Settlement Endowment Trust Fund to elect a vice-chair;
- Corrects a statutory reference; and
- Repeals Section 676 of Title 60, which relates to settlement of certain claims.

PUBLIC FINANCE MEASURES

SB 980 (Herbert/Cargill): Makes various changes relating to county treasurers, as follows:

- Directs certain repayments of ad valorem tax exemptions to the Tax Commission rather than the county treasurer;
- Clarifies procedures for surrender of lost tax sale certificates;
- Modifies notice requirements for claiming of deeds under tax sales certificates; and
- Allows counties to have “petty cash” accounts of up to \$1,500.00.

Effective 11-1-02.

SB 1293 (Haney/Mass): Authorizes Supreme Court to validate portions of a bond issue in a validation proceeding. Authorizes the Oklahoma Capitol Improvement Authority to acquire the services of bond attorneys. Requires the Office of State Finance to establish various accounts for administration of public buildings by the Department of Central Services. Repeals a duplicate section of law authorizing bond validation proceedings and three obsolete sections of law dealing with employees and duties of the Oklahoma Capitol Improvement Authority. Effective 8-23-02.

SB 1450 (Hobson/Askins): Makes several changes relating to operations of the Office of the State Treasurer, as follows:

- Allows the Treasurer to deduct the cost of custody services for unclaimed securities before making deposits to the Unclaimed Property Fund;
- Creates the Securities Lending and Custodial Fee Revolving Fund and provides for certain income from the securities lending program to be deposited into the Fund;
- Requires certain unclaimed cashier’s checks or other exchanges to be deposited to the Unclaimed Property Fund and deletes certain procedures relating to such checks;

Effective 7-1-02.

HB 2064 (Adair/Taylor): Allows state-beneficiary public trusts to act directly on their own behalf and for their own account to document, implement and administer the collateralizing of their deposits in financial institutions, if the collateralizing or pledge of assets by financial institutions is made with the same type of collateral and in the same manner and form as pledges made to secure deposits by the State Treasurer under the Security for Public Deposits Act. Effective 4-29-02.

HB 2280 (Turner/Fisher): Creates the Rural Housing Linked Deposit Act, under which up to \$25 million of state funds may be deposited in linked deposits, with loans to be made to eligible rural housing developers. Procedures and limitations are similar to those for the other linked deposit programs. Effective 7-1-02 (Sections 1-9) and 7-1-03 (Section 10).

HB 2324 (Benson/Capps): Allows trustees of public trusts which have constructed and leased or operated county law enforcement centers or jails to designate other available revenues to such projects. Effective 7-1-02.

**REVENUE & TAXATION MEASURES
(SEE ALSO ECONOMIC DEVELOPMENT)**

SB 897 (Capps/Bonny): SB 897 provides tax relief for victims of the October 9, 2002, tornado which primarily affected the Cordell area. Tax relief is similar to that provided to victims of the May 3, 1999, tornadoes, as follows:

- Allows a credit against motor vehicle excise taxes for a vehicle which was purchased as a replacement for a vehicle destroyed by the October 9, 2002, tornado, if the original vehicle was purchased within one year prior to the tornado;
- Allows an income tax credit for taxpayers whose primary residence was damaged or destroyed by the tornado and who rebuild or repair the property at the same location. The amount of the credit is the difference between property taxes paid on the property in the year before the tornado and the first year after the property is repaired or rebuilt. To qualify for the credit, the property must be rebuilt by December 31, 2003, and must be approximately the same square

footage as the property previously was. The credit may be received for five years, and each year it is 80% of the previous year's credit; and

- Changes references in the homestead exemption laws to refer only to the May 3, 1999, tornado (not applicable to the October 9, 2001, tornado).

Effective 5-6-02.

SB 935 (Nichols/Nance): Exempts sales made at certain estate sales from sales tax. To be eligible for the exemption, the sale must be made at the premises of the deceased person's former residence by a person who is not a transient merchant or does not otherwise have to have a sales tax permit. The sale must also be held for a period not exceeding 3 days and be conducted within 6 months of the date of death. The exemption does not extend to property that was not part of the estate. Effective 7-1-02.

SB 1043 (Haney/Mass): Deletes a fee under the Oklahoma Securities Act for actual charges for an on-site examination conducted by the Oklahoma Securities Department. Creates the Oklahoma Department of Securities Investor Education Revolving Fund for the purpose of educating Oklahomans in matters of securities law and investor protection. Effective 7-1-02.

SB 1253 (Douglass/Phillips): Specifies statutory requirements for the enactment of the Constitutional Amendment on abatement of taxes found in SJR 32 and specifies that the sales tax exemption for sales by schools does not extend to jewelry valued at \$50 or more. Effective 7-1-02 (Section 2) and contingent upon passage of the Constitutional Amendment.

SB 1256 (Williams/Peters): Modifies the income tax credit allowed for eligible child care expenses to include expenses for purchasing child care services for children of employees; building, renovating or equipping a child care center; or other specified expenses. Also limits the amount of eligible expenses for which a credit is allowed. Effective 11-1-02.

SB 1281 (Fisher/Turner): Creates the Oklahoma Housing Reinvestment Program Act, which allows municipalities and counties (under 300,000 population and with population growth less than the national average or opportunity zones) to create housing reinvestment districts, in which property taxes may be abated on residential property with the consent of all property tax revenue recipients. The abatements will be two years for new construction, three years for new construction where a previous structure stood or five years for remodeling. Effective 1-1-03.

SB 1302 (Crutchfield/Rice): Provides that the value of investment in property used exclusively by a small oil refinery that is used wholly as a facility, device or method for the desulphurization of gasoline or diesel fuel shall not be included in the capitalization used

in the determination of fair market value of a small oil refinery. Application procedures are specified. Effective 1-1-03.

SB 1355 (Rabon/Maddux): Specifies that any tax which may be levied by a county shall be inapplicable to the furnishing of public lodging in the corporate limits of any municipality in the county which has levied a lodging tax. Effective 11-1-02.

SB 1415 (Monson/C. Pope): Makes various changes relating to tax administration, as follows:

- Exempts sales made by or to a nonprofit parent-teacher association or organization exempt from taxation by federal law and exempts the first \$15,000 each year from sales by certain youth athletic teams from sales taxes;
- Modifies the remittance schedule for sales taxes for persons primarily engaged in selling lumber and other building materials, other than home centers. Such taxpayers will be on the monthly remittance schedule with the exception of sales made from June 1-15, 2002, and June 1-15, 2003;
- Requires 80% of bonus depreciation claimed under the federal Job Creation and Worker Assistance Act of 2002 (a.k.a. the federal stimulus bill) by corporations and fiduciaries to be added back in on Oklahoma state income tax returns. The amount added back may be claimed on the next four years' income tax returns (25% each year);
- Apportions \$23.4738 million of corporate income tax revenue for FY 03 to the Education Reform Revolving Fund; and
- Requires applications for freeport exemptions to be examined and reviewed by county assessors and county boards of equalization in the same manner as homestead exemptions.

Effective 6-7-02.

SB 1447 (Taylor/Deutschendorf): Allows the Oklahoma Tax Commission to enter into a contract with and release taxpayer information to Cameron University to utilize its computer server to compare information in disparate databases to detect non-registered taxpayers, non-filers and under-reporting taxpayers. Effective 4-29-02.

SB 1448 (Monson/C. Pope): Makes various changes relating to tax administration, as follows:

- Increases the time within which a tax protest may be filed from 30 to 60 days after the mailing of an assessment;
- Deletes the requirement that cash payments of protested taxes, penalties and interest be made as a condition of an appeal. The Tax Commission may request the court to order such payment;
- Creates a tax amnesty program, from August 15, 2002, through November 15, 2002, during which penalties and half of the interest on delinquent taxes will be waived. The program excludes ad valorem taxes, motor vehicle excise taxes and taxes other than those collected by the Tax Commission;
- Apportions the first \$200,000 of motor fuel revenues received in FY 03 to the Education Reform Revolving Fund;
- Apportions the first \$1.4 million of estate tax revenues received in FY 03 to the Education Reform Revolving Fund;
- Apportions the first \$5.4 million of sales tax revenues received in FY 03 to the Education Reform Revolving Fund;
- Exempts sales of fair admission tickets sold at any location from sales taxes. The exemption only extends to that portion of the ticket price that is retained by or distributed to the fair authority (effective 7-1-03);
- Apportions the first \$1.068 million of use tax revenues received in FY 03 to the Education Reform Revolving Fund;
- Allows remitters of use tax whose monthly liability is less than \$50.00 to file and remit semi-annually, and requires persons owing an average of \$25,000.00 or more per month to remit semi-monthly and participate in the electronic funds transfer and electronic data interchange programs;
- Apportions the first \$5.8 million in individual income tax revenues and the first \$17.717 million in corporate income tax revenues received in FY 03 to the Education Reform Revolving Fund;
- Allows the income tax credit of \$0.95 per ton of Oklahoma-mined coal from thin seams to be transferable; and
- Allows electronically-filed individual income tax returns to be filed later than April 15 if the In-

ternal Revenue Code allows a later date for electronically-filed federal returns.

Effective 7-1-02; Section 7 effective 7-1-03

SJR 32 (Douglass/Phillips): Proposes a Constitutional Amendment that would allow the Legislature to enact laws providing for the abatement of tax assessments, or portions thereof, if:

- Collection of the tax liability and interest and penalties accruing thereto would reasonably result in the taxpayer declaring bankruptcy;
- The tax is uncollectible due to insolvency of the taxpayer resulting from factors beyond control of the taxpayer or for other similar cause beyond the control of the taxpayer;
- The tax liability is attributable to actions of a person other than the taxpayer and it would be inequitable to hold the taxpayer liable for the tax liability; or
- In cases of nonpayment of trust fund taxes, the taxes were not collected by the taxpayer from its customer and the taxpayer had a good faith belief that collection of the taxes was not required.

HB 1457 (C. Pope/Milacek): Creates the Task Force on Valuation of Gas Gathering System Assets, to consist of three members each of the Senate and the House of Representatives. The Task Force must complete its study by 12-31-03. HB 1457 also prohibits changes in the valuation methodology of gas gathering system assets and changes in the determination of whether gas gathering system assets are locally assessed or centrally assessed, and requires that the treatment of such assets for the January 1, 2002, assessment year be maintained and preserved. Effective 5-17-02.

HB 1863 (Roach/Williams): Proposes a Constitutional Amendment to allow school districts to pay visual inspection costs from building funds.

HB 1979 (Leist/Shurden): Allows an income tax check off for the Oklahoma Silver Haired Legislature. Effective 11-1-02.

HB 2088 (Roggow/Muegge): Exempts sales to non-profit organizations if made on behalf of or at the request of a church or churches if the sale is conducted not more than once each calendar year for a period not to exceed three days by the organization and proceeds from the sale of such property are used by the church or churches or by the organization for charitable purposes. Effective 7-1-02.

HB 2359 (Dunegan/Mickle): Exempts interest on governmental obligations issued by the Oklahoma Department of Transportation from state income taxes. Effective 7-1-02.

HB 2536 (Nations/Haney): Redirects a portion of revenues from the one-cent motor fuel assessment which previously were deposited to the Petroleum Storage Tank Release Environmental Cleanup Indemnity Fund to a newly created Higher Education Facilities Revolving Fund for the purposes of funding construction of a weather center on the campus of the University of Oklahoma and funding the purchase of equipment and renovation of facilities on the campus of Oklahoma State University for work on the application of advanced sensor technology for the detection of chemical and biological threats to homeland security. (NOTE: These provisions were further amended in HB 2598.) HB 2536 also requires the State Auditor and Inspector and the Director of State Finance to select an independent accounting firm to conduct an independent investigative audit of the books, records, accounts, files, programs, funds and services of the Petroleum Storage Tank Division of the Corporation Commission. Effective 3-19-02.

HB 2613 (Winchester/Monson): Doubles (from \$20,000 to \$40,000) the maximum income tax deduction for adoption expenses. Effective 1-1-02.

HB 2679 (Calvey/Reynolds): Prohibits county treasurers from selling property at tax sales in counties over 100,000 population if the property is the property is a single-family residential dwelling, the taxpayer occupies the property and is age 65 or older, the property is not being used as rental property, the individual living in the property has an annual income that does not exceed federal poverty guidelines and the fair market value of the property does not exceed \$125,000. Taxpayers wishing to take advantage of this provision must apply to the county. Effective 7-1-02.

HB 2904 (Roach/Williams): Allows tax-exempt housing projects to be financed by public trusts; modifies procedures for notice and hearings under the Local Development Act; specifies that transfers of property from a transferor to a business entity owned by the transferor or a family member are not considered sales for purposes of lifting the property valuation cap; allows school districts to pay visual inspection costs from building funds (see HB 1863); modifies property of charitable or nonprofit organizations which may be exempt from ad valorem taxes; allows leased employees to be counted toward employment threshold for five-year ad valorem tax exemption for companies for which construction started on or after 1-1-96. Effective 8-23-02.

HB 2908 (Blackburn/Henry): Modifies and clarifies provisions relating to college savings plans, including a clarification that the income tax deduction applies to each contributor for each account. Procedures for changing or transferring accounts are specified and references to Section 529 of the Internal Revenue Code are corrected. Effective 4-29-02.

SPORTS & AMUSEMENTS MEASURES

SB 1326 (Hobson/Glover): Deletes the limit on the number of out-of-state horse races on which wagers may be made and deletes criteria for what constitutes a full racing program. Effective 4-29-02.

SUNSET MEASURES

HB 2167 (Easley/Crutchfield): Recreates the Board of Examiners of Perfusionists until 2008. Effective 8-23-02.

HB 2168 (Easley/Crutchfield): Recreates the Oklahoma Emergency Response System until 2008. Effective 8-23-02.

HB 2169 (Easley/Crutchfield): Recreates the Oklahoma Educational Television Authority until 2008 and modifies the membership of the Authority to reflect the change in Congressional Districts. Effective 8-23-02.

HB 2170 (Easley/Crutchfield): Recreates the Oklahoma State Committee of Plumbing Examiners until 2008 and modifies the membership of the Committee to reflect the change in Congressional Districts. Effective 8-23-02.

HB 2171 (Easley/Crutchfield): Recreates the State Board of Examiners of Certified Shorthand Reporters until 2008. Effective 8-23-02.

HB 2172 (Easley/Crutchfield): Recreates the Advisory Council on Alcohol and Drug Abuse until 2008. Effective 8-23-02.

HB 2175 (Easley/Crutchfield): Recreates the Special Agency Account Board until the year 2008. Effective 8-23-02.

HB 2176 (Easley/Crutchfield): Recreates the Waterworks and Wastewater Works Advisory Council until 2008. Effective 8-23-02.

HB 2180 (Easley/Crutchfield): Updates the entire list of Sunset entities to reflect all the entities which were recreated until 2008. Effective 8-23-02.

HB 2328 (Easley/Crutchfield): Terminates and repeals 17 defunct entities, removing any reference to such entities in the statutes. Effective 12-31-02.

TELECOMMUNICATIONS & COMPUTER TECHNOLOGY MEASURES

SB 950 (Leftwich/Newport): Creates the "Telemarketer Restriction Act" and defines terms. Requires the Attorney General to establish and maintain a registry of consumers who do not wish to receive unrestricted telemarketing sales calls. Makes violations subject to the Oklahoma Consumer Protection Act and authorizes the Attorney General to adopt rules establishing a schedule of increasing fines. Effective 7-1-02.

SB 1430 (Morgan/Wells): Modifies the Nine-One-One Wireless Emergency Number Act by modifying and establishing new definitions. Provides for the establishment of uniform statewide agreements relating to the provision of emergency nine-one-one service. Reduces the administrative fee wireless service providers may retain. Provides auditors with access to specified information maintained by the wireless providers. Effective 11-1-02.

HB 2777 (Adkins/Easley): Amends the Oklahoma Underground Facilities Damage Prevention Act. Updates statutory references to include additional technology. Makes excavators who damage underground facilities liable for repairs and authorizes the enjoinder of excavators in specified situations. Effective 7-1-02.

HB 2796 (Braddock/Morgan): Prohibits the Corporation Commission from imposing any regulation on a high speed Internet access service or broadband service provider. Effective 7-1-02.

HB 2837 (Perry/Campbell): Makes it unlawful for telemarketers to use certain types of automatic dialing equipment or procedures under certain circumstances. Effective 7-1-02.

TOURISM MEASURES

SB 936 (Shurden /Turner): Allows any person with a physical disability, to the extent capable as determined by a physician, to operate a golf cart in a state park. Operation must be in areas designated by the Tourism and Recreation Commission and during daylight hours. The golf cart must not exceed the speed limit determined by the Oklahoma Tourism and Recreation Department and must not be operated on park roadways with posted speed limits greater than 25 miles per hour. The operator must possess a valid driver license and must provide certified proof of their disability. Effective 11-1-02.

SB 1265 (Herbert/Corn): Changes the name "tourism welcome center" to "tourism information center". Increases the membership of the Oklahoma Film and Music Advisory Board from 8 to 11 and requires

three of the appointed members to possess a broad working knowledge of the music industry. Effective 11-1-02.

SB 1269 (Shurden/Miller): Changes the name of Fountainhead State Park to Lake Eufaula State Park and requires the Oklahoma Tourism and Recreation Department to provide signage for name change and informational materials. Effective 11-1-02.

SB 1271 (Herbert/Corn): Authorizes the Oklahoma Tourism and Recreation Department to retain interest earnings on monies generated at parks, resorts, and golf facilities to address critical needs. Creates the Oklahoma Tourism and Recreation Department Revolving Fund and the Golf Course Operations Revolving Fund to retain the interest earned on revenues in the fund. Allows the Department of Tourism to hire employees in the capacity of contract employees following their retirement. Effective 7-1-03.

SB 1295 (Taylor/Jones): Authorizes the J.M. Davis Memorial Commission to maintain donation receptacles for the collection of voluntary donations to the J.M. Davis Memorial Commission and to the J.M. Davis Foundation, Inc. Requires the funds donated to the J.M. Davis Memorial Commission to be deposited into the J.M. Davis Memorial Commission Revolving Fund. Effective 4-29-02.

SB 1314 (Wilcoxson/Piatt): Transfers responsibility for administration of the Oklahoma State Register of Natural Heritage Areas Act from the Department of Tourism and Recreation to the Oklahoma Biological Survey. Effective 5-6-02.

TOURISM FUNDING

The Tourism and Recreation Department of Oklahoma received a 5 percent reduction for their FY'03 state appropriated budget (HB 2523). The reduction will be managed by reducing administrative costs, travel expenses, vehicle purchases and other specific programs. The Legislature's priority was to insure that there was no adverse impact on tourism and recreation services provided by the state.

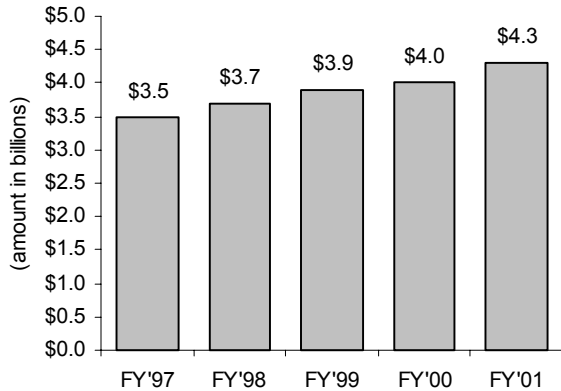
The Legislature funded \$250,000 for a State Park Master Planning program. The purpose of the program is to bring experts in park development, land-use, water, and recreation together with local communities to develop a master plan for each of the state parks.

The Legislature provided \$1 million to the Tourism and Recreation Department to establish a major maintenance program for the 51 state parks. This program provides the Department dedicated funds to concentrate on maintenance issues at the state parks.

Another \$200,000 was appropriated to match funds collected through the Tourism Tax assessed on tour-

ism businesses. The funds will be used to supplement tourism advertising efforts in Oklahoma and surrounding states to boost visitation and tourism awareness.

Revenues from Tourism SIC Codes



The Legislature continued its funding for the Multi-county Organizations Matching Funds Program (\$250,000). The program will allow Oklahoma's 19 qualifying lake and country associations to expend additional resources for local promotion and advertising.

**TRANSPORTATION & SPACEPORT
MEASURES**

SB 125 (Mickle/Webb): Abolishes the Oklahoma Aeronautics Commission as a division of the Oklahoma Department of Transportation and establishes the Commission as a separate state agency. Provides for the transfer of property and personnel to the new agency. Effective 7-1-02.

SB 721 (Stipe/Tyler): Eliminates the requirement for the Oklahoma Turnpike Authority to take alternate bids for paving work on all turnpike projects involving asphalt concrete and portland cement concrete. Effective 4-29-02.

SB 1285 (Stipe/Tyler): Authorizes the Department of Transportation to establish a preaudit and settlement system for claims and payments of state-funded contractor estimates and right-of-way payments. Also specifies that condemnation proceedings shall not be modified or altered as provided by law. Effective 7-1-02.

SB 1371 (Rabon/Matlock): Exempts vehicles from size and weight limitations set forth in Title 47 of the Oklahoma Statutes for vehicles transporting heavy equipment to and from areas during emergencies for the purpose of fighting fires.

SB 1473 (Coffee/Braddock): Defines "electric personal assistive mobility device", which is a self-

balancing, electric powered transportation device, also known as Segway, that is designed to operate on low-speed roads, sidewalks, and trails. The bill exempts the device from motor vehicle definitions, registration and licensure requirements and specifies the conditions and areas in which the device may be operated. Penalties are set forth for operator non-compliance and non-compliance with required warning notice for devices. Effective 4-11-02.

SB 1534 (Stipe/Mass): Creates the Railroad Rehabilitation Act. Changes the time period in which a railroad corporation shall provide a copy of its annual report as filed with the Corporation Commission. Specifies that railroad corporations not required to file annual reports with the Surface Transportation Board shall furnish information to the Corporation Commission upon request.

SB 1544 (Coffee/Nance): Authorizes the Oklahoma Aeronautics Commission to accept title to property in the name of the state, or an interest therein, including easements from any authority, county, municipality or political subdivision thereof. The bill also authorizes the Commission to construct, enlarge, improve, maintain, equip, operate, regulate, protect, and police such property, including the construction, installation, equipping, maintenance, and operation of airports, buildings and other facilities for the servicing of aircraft or for the comfort and accommodation of air travelers. Effective 11-1-02.

SB 1623 (Shurden/Miller Ray): Designates U.S. Highway 59 south of Interstate 40 in Sequoyah County, U.S. Highway 271, and U.S. Highway 59 to Poteau as the "Senator Larry Dickerson Memorial Highway". Requires permanent markers to be placed.

It also specifies that from 100 yards south of the Business 69 Highway exit on U.S. Highway 69 in Eufaula, Oklahoma, on the northbound lane shall be named the "Colonel Harold D. Pinney, U.S. Army Highway" and from 100 yards north of the hospital exit on U.S. Highway 69 in Eufaula, Oklahoma, on the southbound lane shall be named the "Clarence F. 'Chink' Douglas, Lawman Highway" and requires permanent markers to be placed. Effective 5-6-02.

HB 1997 (Hutchinson/Easley): Requires the Oklahoma Capitol Improvement Authority to provide funding for repairs, refurbishments and improvements to Oklahoma Tourism and Recreation Department properties and facilities. The Authority may hold title to, or leasehold interest in, the facilities until the indebtedness created pursuant to this measure is retired or deceased, and shall lease the facilities to the Department. Upon the retirement of the indebtedness, the title to the facilities and improvements is to be transferred from the Authority to the Department. Effective 4-19-02.

HB 2037 (Maddux/Laughlin): Authorizes and sets conditions for operation of an all-terrain vehicle

upon public streets and highways if the vehicle needs to make a direct crossing of the street or highway while traveling upon a regularly traveled trail and needs to continue travel from one area of the trail to another. Authorization does not apply where street or highway has a posted speed limit of more than 35 miles per hour. The operator of the all-terrain vehicle making the crossing must possess a valid driver license. The crossing must occur during daylight hours only. Effective 11-1-02.

HB 2115 (Braddock/Capps): Amends a law which allows municipalities to enact ordinances to restrict future use of property that lies within a five-mile radius of a military airbase. The bill makes certain exceptions related to agricultural use of the land. Effective 4-11-02.

HB 2164 (Bonny/Capps): Creates the Oklahoma Spaceport Management Fund as a revolving fund for deposit of money received by the Oklahoma Space Industry Development Authority (OSIDA) from lease agreements or contracts for management services for facilities owned or occupied by OSIDA. OSIDA will use the fund to pay expenses incurred as a result of the lease agreement or contract or for making lease payments on bond indebtedness or other obligations on spaceport facilities. Effective 4-11-02.

HB 2210 (Plunk/Wilkerson): Specifies that no vehicle, with or without load, shall have a total outside width in excess of 102 inches, excluding pins used as a safety precaution or as a load-assisting device, if the pins do not extend the overall width of the vehicle beyond nine feet. Effective 7-1-02.

HB 2307 (Webb/Mickle): Repeals an old section of law that transferred the Oklahoma Aeronautics Commission to the Oklahoma Department of Transportation. Effective 7-1-02.

HB 2380 (Roan/Shurden): Removes the authorization for the construction of a new turnpike or parts thereof from the Kansas state line south to the Texas state line, in the vicinity of U.S. Highway 69. Effective 7-1-02.

HB 2396 (Phillips/Coffee): Authorizes golf carts, power wheelchairs, and power scooters to be operated on roadways in a county if the board of county commissioners has approved the locations. Effective 7-1-02.

HB 2414 (Newport/Stipe): Prohibits any driver of a vehicle from getting within 15 feet of a person who is in the roadway or at an intersection, who is wholly or partially blind, carrying a cane or walking stick white in color, or white tipped with red, is using a dog guide wearing a specialized harness, is wholly or partially deaf and is using a signal dog wearing an

orange identifying collar, or who is physically handicapped and is using a service dog. Effective 11-1-02.

HB 2674 (Tyler/Stipe): Modifies the Motorcycle Safety and Education Program of the Department of Public Safety to include guidelines and standards for courses of instruction established and approved by the Commissioner of Public Safety, and which are taught by certified instructors who have obtained national certification as prescribed by the Commissioner. Removes the authorization which allows the Commissioner to participate in a motorcycle manufacturer's motorcycle loan program in order to obtain equipment for use in courses of instruction. Also allows Commissioner to contract with private schools and instructors to teach motorcycle safety and education courses; provided the schools meet standards for motorcycle safety and education instruction as set by the Commissioner and the instructors are certified as required by the Commissioner. Effective 7-1-02.

HB 2768 (McCarter/Wilkerson): Requires the first \$100,000 of the administrative penalties collected each fiscal year pursuant to the provisions of the Oklahoma Motor Carrier Safety and Hazardous Materials Transportation Act to be deposited in the General Revenue Fund of the State of Oklahoma. It also requires all other monies collected in excess of \$100,000 each fiscal year shall be deposited to the credit of the Department of Public Safety. Effective 6-6-02.

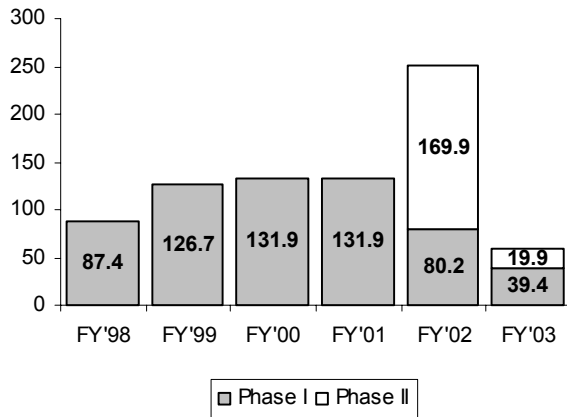
TRANSPORTATION FUNDING

The Legislature appropriated \$247.5 million to the Department of Transportation for FY'03 (HB 2585). Of that amount, \$58.3 million is designated for debt service on the Capital Improvement Plan (CIP) ROADS program.

FY'02 marked the final year of funding for Phase I of CIP; all projects have been let to contract, with 48 percent of the plan completed and the remaining construction underway. Bond debt service for Phase I is \$39.4 million per year through FY'07, with a final installment of \$19 million due in FY'08.

Phase II ROADS funding began in FY'01 when \$150 million in bonds were secured; however, because of the economic downturn, the scheduled \$150 million in additional appropriated funds has been delayed. Twenty percent of Phase II projects are underway and another 15 percent are upcoming. Payment for Phase II bonds is approximately \$18.9 million per year; this debt will be retired in FY'12.

CIP Funding



In February of this year, the Contingency Review Board (President Pro-Tempore of the Senate, Speaker of the House of Representatives and the Governor) approved the sale of \$250 million in Grant Anticipation Revenue Vehicles (GARVEE bonds), a financing instrument that enables states to fund transportation projects based on expected future federal funding. This amount, combined with the \$799 million in GARVEEs authorized in FY'01, will finance road construction that will give all Oklahoma cities with a population of 10,000 or more four-lane highway access to the interstate system.

VETERANS & MILITARY AFFAIRS MEASURES

SB 22 (Herbert/Case): Allows special license plates to commemorate the 200th anniversary of the founding of the United States Military Academy at West Point. Such plates may be obtained for a fee of \$5 in addition to regular vehicle registration fees. Effective 3-25-02.

SB 405 (Monson/Askins): Amends the retirement provisions for firefighters in the Oklahoma Military Department. The bill requires future members to participate in the new retirement benefit plan and allows current members to elect to participate. Provides a 20-and-out type of retirement plan and increases the employee contributions to 8% for those who participate. Also provides a 2 ½ % multiplier for such participants. Effective 7-1-02.

SB 900 (Crutchfield/McCarter): Adds veterans who served in the Korean War to the existing authorization for school districts to grant a diploma of graduation to veterans of World War II. Removes the minimum eighteen-month service requirement. Effective 11-1-02.

SB 960 (Helton/Wells): Relates to Veterans Affairs. Adds unclassified positions to the Department of Veterans Affairs and makes certain Department of

Defense forms not open record and requires the county clerk to separate certain DD records from public records. Effective 7-1-02.

HB 2629 (Nance/Wilkerson): Authorizes Selective Service System registration to occur upon application for a driver license for males 26 years old or less who are not registered with the Selective Service System. This information shall be transmitted electronically via magnetic tape from the Department of Public Safety to the Data Management Center of the Selective Service System. Effective 11-1-02.

VETERANS FUNDING

SB 1031 appropriated \$26,687,506 to the Department of Veterans Affairs for FY'03. This represents a 0.4 percent increase from the original FY'02 appropriation. Of this amount, \$550,000 was provided for operating costs associated with a new long-term care facility in Lawton. The 250 bed facility is scheduled to open in April or May of 2003. The agency anticipates the annual state cost of operations to be \$1.8 million.

OKLAHOMA MILITARY DEPARTMENT FUNDING

The Military Department received an FY'03 appropriation of \$7,895,866 (HB 2471). When one-time funding is removed, this amounts to a 2.5 percent reduction from the FY'02 level. The Legislature decided to minimize the cut in an effort to keep the state's military forces on a war-footing.

Of the agency's FY'03 appropriation, \$193,000 was added to the base to meet the Master Cooperative Agreement with the federal government for the operation of the Thunderbird Youth Academy. The academy provides academic and residential services to youths between the ages of 14 and 19 who have dropped out of high school or been involved with the juvenile justice system. The academy is nationally recognized for its low recidivism rates of 9 percent for FY'01. The goal is to reduce the recidivism rate to 5 percent by FY'07.

WILDLIFE MEASURES

SB 938 (Kerr/Walker): Exempts person under eighteen (18) years of age who is in the physical custody of a child care facility from licensure requirements for hunting and fishing that are set forth in the wildlife code and the Oklahoma Statutes. Effective 4-15-02.

SB 1370 (Shurden/Leist): Provides for an annual combination hunting license for nonresidents hunting one antlered and one antlerless deer, at a fee of

\$250, and, for nonresidents hunting antlerless deer, \$50, on private lands not managed by the Department of Wildlife Conservation. Establishes a lifetime fishing license for persons 60 years of age or older for \$30 and a lifetime combination hunting and fishing license for persons aged 60 or older for \$215. Establishes exceptions from the prohibition against possessing wildlife or parts for persons possessing certain wildlife products for human consumption. Effective 11-1-02.

HB 2150 (Hutchinson/Rabon): Authorizes the Wildlife Conservation Commission to establish a three-day special use permit which will allow residents and nonresidents to use the private land administered by the Department of Wildlife Conservation for nonhunting- or nonfishing-related activities for up to three consecutive days. The bill specifies that the fee for the special use permit for residents shall not exceed \$25.00 and that the fee for the three-day special use permit for residents shall not exceed \$5.00. Effective 5-6-02.

HB 2203 (Smith/Shurden): Authorizes the Department of Wildlife Conservation to administer, either directly or through contract with nonprofit or charitable organizations, a program or programs for the distribution of lawfully harvested fish or game animals, or the meat from such fish or game animals, to charitable organizations or nonprofit corporations to be used as food for human consumption. Effective 4-19-02.

HB 2374 (Roan/Shurden): Authorizes the Wildlife Conservation Commission to establish a special use permit to be designated the "Blue River Conservation Passport" and to assess an annual fee of not more than \$1.00 above the cost of an annual resident fishing license for the Passport. The bill exempts from passport requirements persons who possess various types of hunting or fishing licenses and certain other persons. Effective 7-1-02.

WORKERS' COMPENSATION MEASURES

SB 650 (Henry/Askins): Expands powers of CompSource Oklahoma by authorizing CompSource to require the production of records of employers insured with or applying for insurance with CompSource. Modifies premium adjustment requirements. Modifies persons required to approve administration expenses of the Multiple Injury Trust Fund. Effective 4-29-02.

HB 2370 (Gray/Henry): Renames the managing executive of CompSource Oklahoma from "State Insurance Fund Commissioner" to "CompSource Oklahoma President and Chief Executive Officer". Effective 4-11-02.

HB 2723 (Bonny/Herbert): Exempts certain employers and personnel service companies from pay-

ment of search fees for requests for claim information from the Workers' Compensation Court. Effective 11-1-02.

HB 2752 (Askins/Henry): Modifies procedures relating to premiums assessed against insurance companies, self-insured employers and group self-insurance associations for the purpose of funding the Multiple Injury Trust Fund. Creates a tax rebate for payors of assessment. Authorizes payors to admit tax rebate as asset for purposes of financial solvency regulation by the Insurance Department. Extends rulemaking authority to Insurance Commissioner as necessary. Creates the Workers' Compensation Assessment Rebate Fund from which rebates will be paid. Repeals tax credit language of HB 1003X, 1st Extraordinary Session, 2001. Effective 4-10-02.

VETOED BILLS

SB 412 (Dunlap/Erwin): Provides an additional retirement benefit for certain members of the Oklahoma Public Employees Retirement System who retired prior to July 1, 1998, and who made an election to increase their maximum compensation. The benefit is in the amount of \$200 per month until the additional contributions made by such members have been returned.

Vetoed 5-30-02: Veto message states that the benefit increase proposed by this bill is "inappropriate and irresponsible."

SB 701 (Leftwich/McCarter): Requires the State Board of Education to adopt rules to allow school districts to make exceptions to high school graduation requirements for students who transfer from out of state after the student's junior year and who would be unable to meet the specific graduation requirements without unreasonably extending the date of graduation. Creates the Oklahoma Social Studies Stimulus Program to provide incentives to encourage innovative ways of educating students through the social studies and to prepare students to become active, engaged participants in the democratic process. Authorizes the State Board of Education to award grants, contingent on appropriation of funds, for approved social studies related purposes.

Vetoed 6-5-02: Veto message states that the bill "allows high school students transferring into Oklahoma after their junior year to obtain a standard diploma regardless of whether they have completed the statutorily mandated requirements for graduation. Allowing district boards of education to grant exceptions to the graduation requirements undermines the very purpose of these requirements to ensure that our diplomas mean that every student receiving them has met certain minimum standards."

SB 873 (Monson/C. Pope): Sets the salary for members of the Oklahoma Tax Commission at the same level as judges of the Workers' Compensation Court,

effective January 2005 for terms of office beginning in or after January 2003.

Vetoed 6-4-02. Veto message states that "I have vetoed SB 873 because the operative language in this bill is duplicated in Senate Bill 1368 which I have signed today."

SB 914 (Capps/Covey): Authorizes the Oklahoma Space Industry Development Authority to hire or contract with an attorney.

Vetoed 6-6-02: Veto message states that "the Attorney General's Office is required by law to represent state agencies, boards and commissions" and that "without a showing that the Office is incapable of providing legal service, agencies, particularly of this size, should not be given authority to hire private counsel".

SB 987 (Shurden/Erwin): Provides for voluntary chemical or surgical castration. Authorizes the court to order castration in addition to any other punishment after a legal finding that certain aggravating and mitigating circumstances are proved for rape in the first or second degree or forcible sodomy.

Vetoed 6-5-02. Veto message states that "this bill provides an unnecessary and arguably unconstitutional punishment of surgical castration for second offenses of the type covered by the bill. A more effective way of dealing with these offenders is to make certain they remain incarcerated. For this reason, I have today signed Senate Bill 1425 which provides for life without parole for the second offense for rape, molestation and certain other sexual offenses".

SB 1230 (Ford/Vaughn): Allows certain active members of the Oklahoma Public Employees Retirement System who had previous non-participating temporary service with an OPERS participating employer to buy back up to four years of such temporary service. The buy back will be based upon the employer and employee paying the contributions that would have been paid had the member been eligible to participate during such temporary service. Allows the employer to pay the employee's share of the contributions.

Vetoed 5-30-02.: Veto message states that it would be inequitable for the temporary employer to pay the employer contribution proposed in this bill when the employee may no longer be employed by that temporary employer.

SB 1236 (Morgan/Roberts): Provides a choice as to which retirement system the Commissioner of Public Safety may participate in. Codifies membership in the Oklahoma Law Enforcement Retirement System concerning certain members. Provides an exemption to participation in the Oklahoma Law Enforcement Retirement System for certain agency directors. Includes criminalists in the list of persons eligible to utilize state-owned vehicles.

Vetoed 6-5-02: Veto message states that the ability to return to employment after retirement is contrary to the intent of the retirement plan that

allows members to receive retirement in exchange for an agreement to retire at the end of the five-year term of the plan.

SB 1270 (Herbert/Corn): Increases the membership of the Oklahoma Tourism Promotion Advisory Committee from 13 to 14 members by adding a county commissioner.

Vetoed 4-24-02. Veto message states that "This Committee is currently comprised of individuals associated with the tourism industry, primarily from the private sector or those public members with a state-wide perspective. Absent a compelling need to extend Committee membership to county government, the addition of a public employee member whose interests are wholly parochial is inappropriate."

SB 1276 (Douglass/Fields): Amends the Boiler and Pressure Vessel Safety Act by: modifying the exemptions to the act, providing an inspection procedure for certain exhibitor boilers and exempting certain classes of boilers; placing specified equipment located on oil and gas lease sites under the jurisdiction of the Corporation Commission. (See HB 1049)

Vetoed 4-29-02: Veto message states that "this bill alters the regulation of exhibitor boilers thereby creating a potentially dangerous situation."

SB 1323 (Easley/Hutchison): This measure dealt with several different areas all relating to the Grand River Dam Authority. It first modified the requirements of members of the Board of Directors to provide proof of residency and declared a vacancy on the Board in the event a board member ceases to be a resident of the district. The bill also created two new lake advisory committees, the Grand Lake Advisory Committee and the Lake Hudson Advisory Committee and would have repealed the current Grand Lakes Advisory Committee. Currently, Board approval is required for contracts in excess of \$5,000.00 and this bill would have raised that amount to \$25,000.00. In addition to those items there were two issues relating to GRDA employee compensation, one of which the Governor mentioned in his veto message. Currently, the Office of Personnel Management is required to perform a biannual classification and compensation study for the GRDA employees and SB 1323 would have required that all positions within GRDA be compared only with comparable position within other electrical generating utilities. The bill attempted to correct a salary inequity that has occurred at GRDA with some of their support staff who are currently paid in excess of the maximum pay scale for their classifications within the state merit system by authorizing GRDA to pay such salaries retroactive to the date the pay scale was exceeded. The bill further would have authorized a study to determine the feasibility of designating the waters of Honey Creek located in far north-east Oklahoma as a Scenic River.

Vetoed 6-4-02. Veto message states that the bill "among other things, authorizes the Grand River

Dam Authority to pay classified employees whose salaries currently exceed pay band maximums the amount such salaries exceed the maximum retroactive to the date the pay bands were exceeded. It is imprudent policy to allow agencies to pay employees salaries above the limits set by law and then subsequently change the law to make the salaries legal."

SB 1359 (Dickerson/Miller (Ray)): Creates the Oklahoma Biennial Compensation Review Board. The Board shall make recommendations to the President Pro Tempore of the Senate, Speaker of the House of Representatives, and Governor concerning state employee salaries.

Vetoed 5-6-02: Veto message states that the legislation was vetoed because it would duplicate functions of the Office of Personnel Management.

SB 1364 (Monson/Askins): Eliminates the authority of state chief administrative officers to deny the donation of leave solely because it originates from different agencies.

Vetoed 5-30-02: Veto message states that the bill "would restrict the current authority of agency directors to limit the donation of leave to agency employees. Agency directors must retain approval authority particularly because the agency whose employee is receiving the transfer of leave from another agency must fund that transfer."

SB 1378 (Morgan/Ingmire): Authorizes municipalities to expend municipal revenues for support of public schools in areas outside of and surrounded by the corporate limits of a municipality. Authorizes the Board of Regents for Oklahoma Agricultural and Mechanical Colleges to receive and dispose of funds from state agencies in accordance with applicable state requirements. Authorizes boards to enter into an installment contract, lease-purchase agreement or other contractual obligation for the purpose of financing projects. Waives requirements for compliance with laws setting out procedural requirements for execution of financing arrangements.

Vetoed 6-5-02: Veto message states that the bill "exempts the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges from the Bond Oversight process. Eliminating this oversight invites excessive fees and may lead to abusive transactions. It would also be a step backwards in Oklahoma's efforts to convince the bond markets that we have control of our borrowing processes."

SB 1379 (Dickerson/Askins): This bill creates the State Classification Task Force to make recommendations to the Legislature concerning unclassified state positions and concerning proposals to add or remove positions from the unclassified service.

Vetoed 5-8-02: Veto message states that the Task Force is unnecessary and would impede agency flexibility.

SB 1583 (Wilkerson/Askins): Authorizes a criminal justice information system integration demonstra-

tion project through the Criminal Justice Resource Center. The bill directs Oklahoma Sentencing Commission to establish certain criteria for administration of certain project.

Vetoed 6-6-02. The veto message states that the bill "gives the Criminal Justice Resource Center the authority to create a pilot project designed to integrate criminal justice entities within several jurisdictions statewide. The Criminal Justice Information Systems Task Force has been working on this issue for many years and has developed a workable plan. Allowing the Criminal Justice Resource Center to develop a demonstration program outside the state plan is not an effective way to use precious management information system resources."

HB 1029 (Gray/Morgan): Modifies the State Dental Act by: defining new terms; expanding duties of the Board of Dentistry; establishing and defining varied levels of supervision which relate to the supervising dentist/hygienist relationship; permitting specified duties to be delegated by the dentist; establishing a new specialty of "geriatric public health hygienist" and requiring the Board to establish related rules and requirements; establishes the Oklahoma Dental Manpower Authority Act with the stated intent of improving the accessibility and availability of dental care.

Vetoed 6-7-02. The veto message states that "while I support efforts to increase access to dental care for nursing home patients, this must be done in a manner that does not compromise the quality of care they receive. Today, I am directing the State Commissioner of Health to begin working with dental hygienists, dentists and those involved in the nursing home industry to reach a solution that increases access and guarantees quality care."

HB 1291 (Roach/Williams): Relates to Elections. Eliminates straight-party voting, provides for a presidential Preferential Primary if requested by at least one of the two political parties having the largest number of registered voters in Oklahoma based upon the latest January registration report.

Vetoed 5-30-02. Veto message states that "the right of every citizen to participate in the Presidential selection process should not be subject to the approval of a political party. This bill would reverse the trend of Oklahoma's long-standing history of opening up its political process to include those beyond just the party activists."

HB 2053 (Nance/Shurden): Establishes a risk management audit program through the Department of Central Services for the purpose of identifying work place security threats.

Vetoed 6-6-02. Veto message state that "while this bill is designed to reduce dangers to state employees, it could operate to increase these dangers as these audits may be open to public inspection. There is no clear exception in the Open Records Act that would allow these audits to remain confidential. This risk that they could do more harm than good is

compounded by the fact that no uniform methodology for conducting the audits is prescribed, thus leaving it up to each agency's discretion."

HB 2284 (Erwin /Shurden): Creates the Oklahoma Motor Carrier Act. It specifies that it is necessary in the public interest to regulate transportation by motor carriers to recognize the need to require motor carriers to have adequate liability insurance. It requires motor carriers to provide service and conduct their operations in a safe manner. It requires motor carriers to be educated as to their regulatory responsibilities to ensure motor carriers of household goods and consumer-oriented service without discriminations; to establish that the operations of motor carriers will not have a detrimental impact on the environment; and to cooperate with the government of the United States, the agencies of this state, regulatory bodies of other states, and the duly authorized officials thereof and with any organization of motor carriers in the administration and enforcement of the Oklahoma Motor Carrier Act.

Vetoed 5-8-02: Veto message states that "The existing cooperation and enforcement efforts between the Corporation Commission and the Department of Public Safety are working well to ensure enforcement of the Motor Carrier Act. Authorizing this agency to employ 'sufficient' or unlimited personnel, particularly when facing a budget shortfall, is imprudent and irresponsible."

HB 2312 (Roberts/Williams): Requires the State Board of Education to adopt rules to allow school districts to make exceptions to high school graduation requirements for students who transfer from out of state after the student's sophomore year. Grants academic credit for students successfully completing advanced science or mathematics courses at Oklahoma School of Science and Mathematics regional sites.

Vetoed 5-8-02: Veto message stated that the bill "allows high school students transferring into Oklahoma after their sophomore years to obtain a standard diploma regardless of whether they have completed the statutorily mandated requirements for graduation. Allowing district boards of education to grant exceptions to the graduation requirements undermines the very purpose of these requirements-to ensure that our diplomas mean that every student receiving them has met certain minimum standards."

HB 2345 (Staggs/Crutchfield): Restricts the ability of the Director of the State Department of Rehabilitation Services to hire instructional personnel. It requires a recommendation from a superintendent of the school prior to hiring. This bill also places the superintendents at the Oklahoma School for the Blind and the Oklahoma School for the Deaf in the unclassified service.

Vetoed 5-30-2002: Veto message states that the "tying of the Director's hands could serve to disrupt

the services provided by the schools particularly if either of the superintendent positions are vacant."

HB 2608 (Benson/Helton): Requires the Oklahoma State Employees Benefits Council and the State and Education Employees Group Insurance Board to offer any vision plan which is properly licensed or certified by the appropriate state agency and which submits its rates to the Council and the Board by August 15 each year.

Vetoed 4-16-02: Veto message states that the legislation would "undermine the current legal and fiduciary responsibilities of EBC and OSEEGIB to design, evaluate and select benefit plans through a competitive bidding process."

HB 2633 (Fields/Stipe): Creates the Oklahoma Workforce Investment Act. Provides that the intent of the act is to establish state policy for the workforce investment system intended to strengthen and preserve local control. Defines terms related to workforce investment. Creates a state Workforce Investment Board and sets out its purpose. Authorizes the formation of subgroups within the Board. Requires the Governor to designate local workforce investment areas and provides criteria. Provides for the membership of local investment boards in each area designated and sets out functions for each board. Designates \$704,000 in federal funds for use by the Department of Career Technology and Education in administering a statewide offender employment training program. Permits both state and local workforce investment boards to hold meetings by teleconference in compliance with the Open Meetings Act. Provides for the reduction of the unemployment tax rate from January 1, 2003 through December 31, 2003 and provided suspension of the reduction under certain circumstances.

Vetoed 6-5-02: Veto message states that "this inappropriately limits the flexibility of the Workforce Investment Board and creates confusion in the Workforce Investment Act by duplicating implementation laws."

HB 2635 (Toure/Blackburn/Monson): Prevents the execution of a defendant with a severe developmental disability.

Vetoed 6-7-02: Veto message states that "current law adequately protects against the execution of those who lack mental capacity," and that the bill "would create uncertainties and confusion in the well-developed, long-standing body of law in this area."

HB 2637 (Toure/Henry): Authorizes claims against the state for wrongful imprisonment for felony convictions.

Vetoed 5-30-02: Veto message states that the bill "would create liability to the State for wrongful criminal conviction without a showing that the State was grossly negligent, participated in perjury or subornation of perjury to obtain the conviction or was otherwise a party to intentional wrongdoing."

HB 2656 (Piatt/Robinson): Allows the board of education of a technology center school district to hold meetings by teleconferencing. Allows technology center school district boards to approve district building projects paid for with state bond monies without approval of the State Board of Career and Technology Education.

Vetoed 5-30-02: Veto message states that the bill "allows local career technology center boards to approve plans for new building projects without state board approval even if financed with state bond monies. Local boards should not be able to make decisions which affect the entire system, such as staffing and operating needs, without the approval of the state board which is responsible for the whole system."

HB 2746 (Taylor/Dunlap): Creates a Medical Expense Revolving Fund in the State Treasury for the State and Education Employees Group Insurance Board composed of certain court penalty costs. Requires persons convicted of certain offenses to pay a medical expense liability fee. The Board shall manage the Fund and make payment from the Fund to the applying entity for the purpose of paying certain expenses related to medical treatment of certain inmates. Allows certain retired members and beneficiaries to vote on election of certain members of the Board. Allows court clerks and judges to utilize approved information system other than the Oklahoma Court Information System. Such entities shall not receive a budget reduction solely because they use an alternative system.

Vetoed 6-4-02: Veto message states that "local boards should not be able to make decisions which affect the entire system, such as staffing and operating needs, without the approval of the state board which is responsible for the whole system."

HB 2753 (Askins/Monson): Provides a "back drop" retirement option for members of the Oklahoma Firefighters Pension and Retirement System.

Vetoed 6-5-02: Veto message states that "in addition to creating administrative difficulties, this bill is contrary to the intent of this Plan that allows members to receive retirement in exchange for an agreement to retire at the end of the five year term of the Plan."

HB 2895 (Begley/Easley): Attempts to modify the requirements of the Oklahoma Water Resources Board relating to certain temporary groundwater permits. Directs that regular permits be issued by the Board to replace certain long-standing temporary permits.

Vetoed 6-6-02. Veto message states that this bill "which allows landowners with current water rights based on existing temporary two acre-feet/acre allocation to continue to utilize this amount of water rather than any reduced allocation that may be set by the Water Resources Board. It is

important that the Board have the flexibility to change these amounts as circumstances warrant."