



# ACOG LEGISLATIVE REPORT

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## LEGISLATIVE DEADLINES

**Thursday, April 25, 2024** - Deadline for Third Reading of Bills and Joint Resolutions from Opposite Chamber

**Friday, May 31, 2024** - Sine Die Adjournment

## BUDGET TALKS BEGIN

The House officially released their budget numbers the week of April 15. The House budget includes an income tax cut, while the Senate's budget does not and there appears to be a \$1.1 billion difference between both budgets.

# KEY LEGISLATIVE ISSUES SUPPORTED BY ACOG



## A STATEWIDE REVOLVING LOAN FUND

**HB 4064 (Wallace)** is a proposed Statewide Revolving Loan Fund (RLF) to be administered by each of the 11 statewide Oklahoma Councils of Government.

**The Oklahoma Small Business Expansion and Jobs Act** will utilize a recommended one-time appropriation of \$16.6M to create 11 separate \$1.36M RLFs that are designed to support their regions. (Appropriation to be determined.)

**STATUS:** Co-Authored by Senator Hall. Senator Hall pulled HB 4064 from the Senate Finance Committee agenda due to concerns he had and substituted it with language that would establish an OK Invest Advisory Commission. HB 4064 with substitutions never made it out of committee and is dormant. Senator Hall is open to an interim study regarding a Statewide RLF.

## SALES TAX RELIEF

**HB 1955 (McCall)** was signed by the Governor on February 27. This bill eliminated Oklahoma's 4.5% state grocery tax and put a moratorium on the ability of cities and counties to raise their sales taxes on groceries until July 1, 2025.

**ACOG opposed this bill due to our municipal member governments are highly concerned that removal of the state sales tax on groceries will precipitate a political initiative to eliminate the municipal sales tax on groceries, as well.**

ACOG partner OML, has been working with Speaker McCall and Sen. Pro Temp Treat who have agreed to eliminate the moratorium on local sales tax increases for municipalities in **SB 1283**. The proposed legislation passed the House Rules Committee on April 18 and moves to the House floor. If passed, it will have to go back to the Senate to accept or reject the House amendments.

## ENCOURAGING MUNICIPALITIES TO MAINTAIN & UPGRADE SEWAGE TREATMENT SYSTEMS

The purpose of **HB 3049 (Boles)** & **SB 1650 (Paxton)** is to establish reasonable and achievable standards for municipal sanitary sewer system operation that can also protect municipal revenues from nuisance claim litigation attacks. These bills are strongly supported by the **Oklahoma Municipal Assurance Group (OMAG)**.

**Multiple municipalities in the ACOG region and across the state have battled million-dollar personal injury damage claims of annoyance and inconvenience in court.**

**STATUS:** SB 1650 is dormant. It never made it out of Senate Health & Human Services Committee.

## **FIREFIGHTERS' PENSION SYSTEM**

**HB 2991 (West, Josh)** is an IRS compliance measure for the firefighters' pension system, updating references to the required minimum distribution age.

**STATUS:** Sent to Governor on 4/23/2024.

## **VOLUNTEER FIREFIGHTER RETIREMENT**

**SB 1524 (Green)** allows retired volunteer firefighters to continue volunteering without incurring certain reductions in their benefits and bars those individuals from serving as a fire chief.

**STATUS:** Signed by the Governor on 4/18/2024.

## PEDESTRIAN SAFETY

**SB 1923 (Alvord)** modifies certain actions for pedestrians, as it pertains to safety. It also adds some language to clarify how a vehicle should pass around a roundabout (central island of a circular intersection).

**STATUS:** Signed by Governor on 4/18/2024.



## WATER INFRASTRUCTURE

**HB 3854 (CORNWELL)** would set up a fund for small municipalities and their water infrastructure.

**STATUS:** Passed Senate Appropriations Committee - needs to be heard by April 25 in the Senate or this proposed legislation becomes dormant.

## DROUGHT COMMITTEE REALIGNMENT

**HB 3182 (Patzkowsky)** requires the emergency drought committee to meet at the call of the Secretary of Oklahoma Department of Agriculture, Food and Forestry when the Secretary declares that emergency drought conditions exist in the state.

**STATUS:** Sent to Governor on 4/23/2024.

**ACOG will closely monitor these bills because several of our most important programs are funded through ODOC: REAP, Substate Planning, and State Energy Program (SEP).**

## **ODOC MISSION**

**HB 3252 (Osburn)** modifies the statement of needs and mission statement of the Oklahoma Department of Commerce (ODOC)

**STATUS:** Passed the Senate and engrossed back to the House.

## **CREATING OKLAHOMA'S MODERN PLAN FOR ECONOMIC TRANSFORMATION & EFFECTIVENESS**

**SB 1447 (Thompson, Kristen)** creates the Oklahoma Office of Economic Development, Growth, and Expansion to serve as the state's lead economic development agency with ODOC playing a supporting role.

**STATUS:** Passed House Appropriations & Budget Committee. Must pass off the House floor before 4/25/2024 or it will be dormant.

# LEGISLATIVE WATCHLIST



## WATER RESOURCES

**HB 3854** - Cornwell

**SB 1331** - Bullard

## RURAL ECONOMIC ACTION PLAN (REAP)

**SB 2008** - Rader

## ECONOMIC DEVELOPMENT

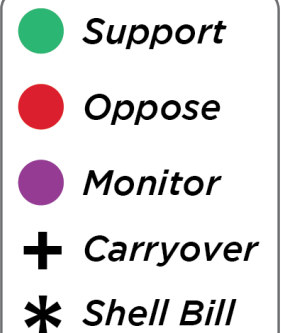
**HB 2191** - West (K)

**HB 3252** - Osburn (ODOC)

**SB 1447** - Thompson (K) (ODOC)

## UNFUNDED MANDATES

**SB 1854** - Weaver



# DORMANT LEGISLATION



## REVENUE & TAXES

- HB 2949 - McCall
- SB 1618 - Garvin
- SB 1680 - Green
- SB 1863 - Stewart
- SB 2037 - Deevers

## MARIJUANA

- HB 3355 - Marti
- SB 1635 - Coleman

## FIREARMS

- SB 1870 - Standridge
- SB 1936 - Kidd

## REGULATORY REFORM

- HB 2786<sup>+</sup> - Munson
- SB 495<sup>+</sup> - McCortney

## UNFUNDED MANDATE

- HB 3265 - Humphrey
- HB 3754 - Hardin
- SB 1316 - Bullard
- SB 1801 - Dahm
- SB 1928 - Standridge
- SB 2026 - Weaver

- Support
- Oppose
- Monitor
- Carryover
- Shell Bill

## 911 & PUBLIC SAFETY

- HB 1924<sup>+</sup> - Sims
- HB 3897 - Ford
- SB 966<sup>+</sup> - Coleman

## MENTAL HEALTH

- HB 3338\* - Roe
- HB 2947\* - Bashore
- HB 2994\* - West (J)

## LOCAL AUTHORITY

- HB 3296 - Bennett
- HB 3578 - Pae
- SB 1532 - Alvord
- SB 1652 - Prieto
- SB 1815 - Newhouse
- SB 1845 - Thompson (K)

## RURAL FIRE DEFENSE PROGRAM

- HB 2979 - Kane
- HB 3573 - Pae
- SB 1333 - Hall
- HB 2991 - West (J)
- HB 3192 - Newton
- SB 1779 - Bullard
- SB 1842 - Thompson (K)

- Support
- Oppose
- Monitor
- Carryover
- Shell Bill

## TRANSPORTATION

- HB 3213 - West (K)
- HB 3735 - Dempsey
- SB 1290 - Kirt
- SB 1421 - Rogers
- SB 1469 - Haste
- SB 1932 - Standridge
- HB 2752<sup>+</sup> - Miller
- HB 2970 - Gann
- HB 3848\* - Pittman
- HB 3894 - Ford
- HB 4146 - Turner
- SB 1421 - Rogers

## AIR QUALITY

- SB 1389 - Boren
- SB 1553 - Boren

- Support
- Oppose
- Monitor
- Carryover
- Shell Bill



## WATER RESOURCES

- HB 2313 - Sims
- HB 3049 - Boles
- HB 3193 - Newton
- HB 3195 - Newton
- SB 1341 - Howard
- SB 1406 - Bergstrom
- SB 1352 - Bullard
- SB 1650 - Paxton
- SB 1781 - Boren

## RURAL ECONOMIC ACTION PLAN (REAP)

- HB 2508<sup>+</sup> - Fugate
- SB 2033 - Howard

## ECONOMIC DEVELOPMENT (ODOC)

- SB 1335 - Garvin
- HB 3424 - Archer

## JOB EXPANSION

- HB 4064 - Wallace
- HB 4070 - Wallace
- SB 1807 - Garvin

- Support
- Oppose
- Monitor
- Carryover
- Shell Bill

# APPROPRIATIONS REQUESTS



## RURAL ECONOMIC ACTION PLAN (REAP)

REAP provides grants to small communities, towns, counties, and other organizations serving populations under 7,000 that have little or no funding capabilities.

There are currently 538 municipalities in Oklahoma under 7,000 in population (90% of all Oklahoma municipalities).

In FY 2024 the REAP allocation was \$30 million, funded over 460 projects across the state and was also used to leverage almost \$50 million in funding for Community & Economic Development projects in rural communities.

**FY 2025 Recommendation:** Increase REAP funding by **\$14 million**, which by statute will distribute equal REAP allocations of **\$4 million to all 11 Oklahoma Councils of Government (COGs)**.

**Fiscal Impact:** **\$14 million** above current allocation of \$30 million.

## RURAL FIRE DEFENSE PROGRAM

The Rural Fire Defense (RFD) Program supports and equips rural fire departments in protecting lives and property of rural Oklahomans. The Oklahoma Department of Agriculture, Food and Forestry (ODAFF) contracts through Oklahoma Association of Regional Councils (OARC) for the COGs to employ RFD Coordinators who annually certify approximately 875 fire departments across Oklahoma for state operational funding and assist rural fire departments with training, grant writing, inventory and equipment support.

State funding for the RFD program was increased for FY 2024 per COG to \$100,000, which made a huge impact to the program.

**FY 2025 Recommendation:** Make the current **\$100,000 per all 11 Oklahoma COGs** a line item in the State budget through the Oklahoma Department of Agriculture and oppose any and all changes that may be proposed to the RFD Program.

**Fiscal Impact:** Maintain current allocation of \$1,100,00.

## SUBSTATE PLANNING DISTRICT PROGRAM

The Substate Planning District Program allows Oklahoma's 11 designated Substate Planning Districts (COGs) to provide planning and technical assistance to local governments. Oklahoma COGs are the primary resource for many local governments to apply for federal and state grants, coordinate efforts to develop capacity to attract business investments and job creation and make the delivery of governmental services more effective.

Substate funding has declined from \$50,000 to its current level of \$13,400 for FY 2024. Maintaining adequate Substate funding is necessary for COGs to continue to provide essential intergovernmental services to local governments in their Districts.

**FY 2025 Recommendation:** Increase Substate planning funding to **\$50,000 per all 11 Oklahoma COGs** and make it a line-item in the State budget through the Oklahoma Department of Commerce.

**Fiscal Impact:** **\$402,600** above current allocation of \$147,400.

# THANK YOU.

Questions or Comments?

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