



2024 ACOG FINAL LEGISLATIVE REPORT

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LEGISLATIVE DEADLINES

Friday, May 31, 2024 - Sine Die Adjournment

BUDGET AGREEMENT

The week of May 20 ended with an agreement on the budget after eight budget summits. Legislative staff and legislators worked through the Memorial Day Weekend to prepare legislation to reflect the budget agreement. The budget must be finalized by Friday, May 31.

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. HB 4064 with substitutions never made it out of committee and is dormant.

ACOG met with the Oklahoma Center for the Advancement of Science and Technology (OCAST), during the week of May 20. OCAST was partnering with the COGs on this proposed legislation. ACOG & OCAST discussed future plans regarding the RLF, and it was decided that representatives from both organizations will visit with Rep. Wallace in July/August about authoring the RLF legislation during the next legislative session.

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, worked 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**.

SB 1283 was signed by the Governor on May 8.

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. OMAG will be making a few changes to its approach and plans to run the proposed legislation next session.

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: Signed by 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: Title has been restored and emergency added to proposed legislation. Must be heard on the House floor today or it is 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: Signed by Governor on 4/26/2024.

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: Fourth reading in House on May 29. Sent to Senate where the Conference Committee Resolution has been read. Must be voted on before May 31 or it is dormant.

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: Conference Committee Resolutions were read in the Senate on May 29 and passed the Senate and has been submitted to the House. Must be voted on before May 31 or it is dormant.

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⁺ - Munson
- SB 495⁺ - 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⁺ - Sims
- HB 3897 - Ford
- SB 966⁺ - 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⁺ - 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 1331 - Bullard
- SB 1352 - Bullard
- SB 1650 - Paxton
- SB 1781 - Boren

ECONOMIC DEVELOPMENT (ODOC)

- SB 1335 - Garvin
- HB 3424 - Archer

JOB EXPANSION

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

RURAL ECONOMIC ACTION PLAN (REAP)

- HB 2508⁺ - Fugate
- SB 2033 - Howard

- 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.

FY 25 Budget Outcome: REAP Funding stays at 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.

FY 2025 Budget Outcome: A full amount of the RFD FY 2025 allocation has not been made public at this time.

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.

FY 2025 Budget Outcome: Substate Planning allocated **\$150,000** through Oklahoma Department of Commerce, the same amount as FY 2024. ACOG will receive **\$13,636.36**.

THANK YOU.
Questions or Comments?

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