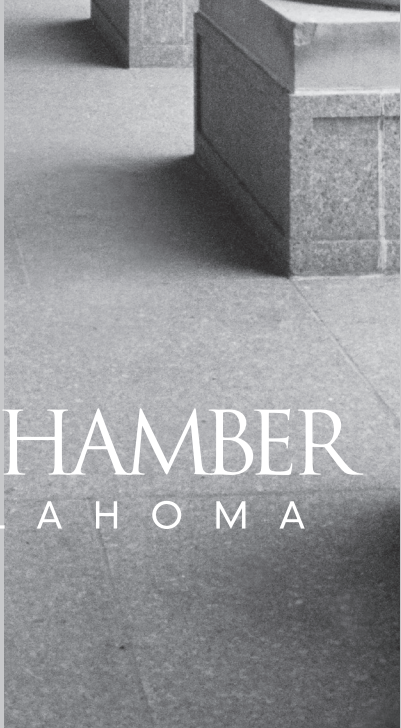


2018

# LEGISLATIVE WRAP-UP



STATE CHAMBER  
OF OKLAHOMA

# JOB KILLERS

## JOB-DESTROYING BILLS DEFEATED IN 2018

As the voice for Oklahoma businesses, the State Chamber works thousands of bills each year that impact Oklahoma companies. Below are just a few of the bad bills we helped defeat this year, bills that would have negatively affected our state's economy and competitiveness.

- 
- SB 1086** Would have repealed capital gains deductions voted on by the people of Oklahoma, to the detriment of Oklahoma job-creators, including small businesses
- 
- HB 2854** Would have imposed new taxes on petroleum refineries, natural gas processing plants and electric power generation including solar energy and wind power
- 
- HB 3109** Would have hindered the growth of Oklahoma's aerospace industry by ending the Aerospace Engineering Tax Credit program effective immediately
- 
- SB 1279** Would have damaged Oklahoma economic development efforts by threatening the viability of tax increment finance (TIF) districts
- 
- SB 1036** Would have capped the amount of funds available for a student in Oklahoma's Promise, the state's college tuition assistance program, by limiting access to the scholarship to two years
- 
- SB 1460** Would have increased taxes on workers' compensation losses for insurers & self-insured companies
- 
- SB 965** Would have eliminated the sales tax exemption for prewritten computer software, raising costs for nearly all businesses and individuals
- 
- SB 890** Would have required hospitals that bill Medicaid to provide reports on the most frequent admissions
- 
- SB 1407** Would have created additional liability for oil & natural gas drillers and would have hindered the job creation and exploration of Oklahoma's natural resources
- 
- HB 2533** Would have increased minimum wage to \$11 an hour or the current federal minimum wage, whichever is greater
- 
- SB 1250** Would have allowed discriminatory employment practices based on religious beliefs or moral conviction
- 
- HB 3228** Would have put the state government in the middle of contractual agreements between businesses by requiring health plans to reimburse out-of-network providers at in-network rates

## FROM OUR PRESIDENT & CEO

Frustration with the status quo was evident across the state this year. An intense legislative session culminated in the passage of a series of sweeping, essential reforms. The State Chamber of Oklahoma helped lead this charge, insisting on vital reforms to improve Oklahoma's economy, government and competitive position.

The State Chamber fought for and defended pro-business policies on multiple fronts in 2018. Notable victories from this year's legislative agenda are highlighted in this report. We also saw tremendous progress in implementing our bold OK2030 strategic vision plan recommendations.

We're pleased to report that some of our state's most pressing issues were addressed this year, including strengthening agency accountability, increasing teacher pay, improving health care affordability and safely lowering Oklahoma's incarceration rates. Other key victories include school financial transparency, occupational licensing reform and permanent funding for the Quick Action Closing Fund.

For businesses to succeed, they need opportunities to grow, innovate and expand. They must also be supported by strong workforce, education and health care systems. In addition, for businesses to thrive, they must be protected from regulatory overreach and unreasonable tax policies. The State Chamber is mindful of these interconnected dynamics and aggressively advocates for a strong, consistent business climate.

But now is not the time to rest: 2018 is a pivotal election year, with one of the highest number of open legislative seats in our state's history. We need you to engage with our We Mean Business PAC to ensure pro-business candidates and policies.

Together, we've gained impressive ground this year. But there is still much more to be done, and there are more battles to fight this year and next. We ask you to join us on the frontlines to help ensure we maintain forward momentum for our state.



A handwritten signature in black ink that reads "Fred Morgan" with a long horizontal line extending to the right.

**FRED MORGAN**  
President & CEO



## MIKE JACKSON

**Executive Vice President, Government & Political Affairs**

*Economic Development, Taxation and Retail; Energy and Natural Resources*

Oklahoma workers and businesses will benefit from pro-business laws passed this session, including **HB 3324**, **SB 923** and **SB 1585**. **HB 3324**, coupled with a legislative appropriation, creates permanent funding for the Governor's Quick Action Closing Fund. The fund has created 1,445 jobs and more than \$700 million in investment since 2014. **SB 923** increases the number of companies that can take advantage of the Small Employers' Quality Jobs Program, consistent with recommendations from the Incentive Evaluation Commission. **SB 1585** offers a new credit for automotive engineers. This will help create high-skilled, high-paying jobs and further diversify our economy.

We also defended against numerous bills that would have put jobs and investment at risk. **SB 1086** would have eliminated the capital gains deduction. It would also have reintroduced a penalty for investing in Oklahoma-based companies and created a new tax on the sale of small and family-owned businesses. **HB 2854** (BTU tax) would have imposed new taxes on petroleum refineries, natural gas processing plants and electric power generation including solar energy and wind power. **HB 2639** would have added a new tax equal to 5 percent on rock, gravel, granite, sand, gypsum, limestone and other natural materials mined for aggregate.



## JENNIFER LEPARD

**Vice President, Government Affairs**

*Aerospace, Technology, Defense and Telecommunications*

The future of aerospace in Oklahoma looks bright after the passage of a bill to boost the growth of the aerospace industry. **HB 2578** creates the Aerospace Commerce Economic Services program within the Oklahoma Department of Commerce to establish and coordinate a common statewide strategy for growing Oklahoma's aerospace industry. The future of Oklahoma's military bases also looks strong after the Legislature passed **SB 1576** to provide a process for the safe and responsible siting of wind turbines near military installations. The legislation protects the rights of private businesses while ensuring the responsible development of wind energy projects near military training routes. The Legislature also passed **SB 1388**, which paves the way for the future development of small cell wireless technology in Oklahoma. This technology will make wireless telecommunications faster and more reliable in Oklahoma and the development of related infrastructure will bring jobs and new investment to the state.

**“Together, we’ve gained impressive ground this year. But there is still much more to be done, and there are more battles to fight this year and next.”**

**FRED MORGAN, President & CEO**



## EMILY SHIPLEY

**Vice President, Government Affairs**  
*Health Care; Workforce Development*

As we continue to push for education reforms, it's important to know how taxpayer dollars are being spent in education. **HB 2860** requires school districts to post financial data — including superintendent compensation — on the homepage of their website, making it easier for parents and community leaders to access the information. **SB 980** provides an additional long-term strategy to help retain Oklahoma's best and most dedicated teachers. This legislation offers teachers a path to advance within the profession by creating two new levels of teaching certifications. Currently, our state has 75 counties considered Health Professional Shortage Areas. **HB 2987** will expand loan repayment assistance to physician assistants if they move to a rural community. The Oklahoma Medical Loan Repayment Program incentivizes health care professionals to move to underserved areas, ensuring businesses have access to health care. We also worked alongside a broad coalition to defeat several health care bills that would have had detrimental impacts on employers. **HB 3228**, **HB 3229** and **HB 3230** would have threatened quality of care, undermined contractual agreements and increased costs for everyone.



## CORDON DEKOCK

**Vice President, Political Affairs**  
*Transportation and Infrastructure*

Oklahoma will move into line with national standards for commercial traffic after a series of bills passed this session. **SB 1089** and **HB 1560** adjust the maximum weight and allow special permits to exceed certain height requirements for commercial traffic. **SB 1114** creates a new high-wide corridor that will enable central Oklahoma manufacturers to more easily deliver their goods via Oklahoma's ports and navigable waterways. The Department of Transportation was also granted greater flexibility by **HB 2921** and **HB 2923**. These bills will improve the competitive bidding process and allow the sale of unused land to fund infrastructure development. Finally, **HB 3576** established the Oklahoma State Safety Oversight Program using federal funding to oversee private fixed-rail guideway public transportation systems like Oklahoma City's street cars.



## ADRIA BERRY

**Vice President, Government Affairs**  
*Human Resources and Labor Law; Legal Reform; Workers' Compensation*

The Affidavit of Exempt Status was re-implemented this session via **SB 1249**. This bill allows subcontractors to be exempted from carrying workers' compensation coverage in certain instances and provides further protection for contractors and project owners. **SB 1299** provides a legislative fix for conflicting language in Section 3234 of the Oklahoma civil procedure rules and allows for an extended response period for discovery in some instances. This year, we helped defeat numerous bad bills that would have imposed costly mandates on businesses related to minimum wage, mandatory sick leave and more. We also fought to protect employers' rights related to health care and vaccination policies. While the Legislature did not act on providing employer protections in the event that **State Question 788** (medical marijuana) passes at the ballot in June, we are on the frontline working on this issue with legislative leaders to ensure the business community is protected.



## CHAIRMAN'S MESSAGE

*Accelerating progress. Securing our future.*

Driving change—it's what the State Chamber does. For decades, the State Chamber has leveraged its unrivaled statewide influence to promote pro-growth, pro-business policies. This year, we kicked those efforts into overdrive with our OK2030 initiative, calling for foundational reforms to move Oklahoma forward. Our progress has been remarkable, as evidenced in this Legislative Wrap-Up and our companion OK2030 update.

This momentum wouldn't have been possible without the enthusiastic support of our members, our board and everyone who has supported the OK2030 initiative. Our deepest thanks for helping us fuel meaningful change in Oklahoma. We look forward to continuing to chart a clear path to prosperity and progress for our state.

### SEAN TRAUSCHKE

Chairman, President & Chief Executive Officer, OGE Energy Corp.  
2017-18 Chairman of the Board, State Chamber of Oklahoma

WE MEAN BUSINESS



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