



# OKLAHOMA CITY

## 2018 STATE LEGISLATIVE PROGRAM

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# PRIORITIES





## 1 Maintain local control over local issues

Cities and towns in Oklahoma have situations and policy issues that are best addressed at the local level. Each year the legislature considers bills to address issues specific to one or two communities in the state. The resulting legislation often has the unintended consequence of taking authority away from local elected officials to govern their jurisdictions.

This loss of local control significantly affects the state's two largest cities, Oklahoma City with a population of about 640,000 and Tulsa with 403,000 people. The Oklahoma City metro has roughly 1.3 million people and the Tulsa metro has nearly a million people. In a state with a total population of 3.8 million, this is a significant share of our state's residents. Both cities face issues that affect large urbanized areas that may not be applicable to smaller communities.

Cities are also negatively affected when state officials enact legislation but don't appropriate funds for implementation. City and county governments are forced to expend their limited resources for a state function. These unfunded mandates create new burdens on residents and are not an appropriate use of local resources.



## 2 Maintain funding levels for ODOT's Public Transportation Revolving Fund

The appropriations to the ODOT Public Transportation Revolving Fund have remained stagnant at \$5.75 million annually since 2006. Demands for enhanced public transportation from residents of Oklahoma City continue to grow as evidenced by increases in public transportation ridership, voter approval to fund a modern streetcar and resident survey results indicating public transportation should be one of the top City services to receive emphasis in the coming year. Thousands of Oklahoma City residents depend on the City's bus system daily to get them to jobs, shopping, schools and doctor's appointments. Revenues from the ODOT Public Transportation Revolving Fund have not changed while the cost to provide service (labor, fuel, repair parts, emission requirements) has increased, and the City has limited ability to keep up with these needs.

## 3 Preserve funding for the Heartland Flyer rail service

Passenger rail service has been in place from Oklahoma City to Fort Worth via the Amtrak Heartland Flyer since 1999. Before that, passenger rail had been absent from Oklahoma for 20 years. The Heartland Flyer is state-sponsored by Oklahoma and Texas. This important passenger rail link between Oklahoma City and the Dallas/Fort Worth metroplex is currently the only passenger rail service in Oklahoma. It was a key component in the City's efforts to secure a \$13.6 million federal transportation TIGER grant in 2013 as part of a \$28 million renovation of the multimodal transportation hub at the Santa Fe Station.

The Heartland Flyer starts in Oklahoma City and makes station stops in Norman, Purcell, Pauls Valley and Ardmore before stopping in Gainesville, Texas, and then Fort Worth. Ridership continues to grow over the years, with roughly 81,000 passengers per year.

Proposals to expand service to Kansas and to Tulsa are both part of the passenger rail conversation. Passenger and commuter rail service in the metropolitan area is also part of ACOG's regional long-range transportation plan. It is important to keep the service that is in place and contemplate for additional passenger rail service in the future.

## 4 Preserve municipalities' ability to address derelict properties and enforce municipal codes and zoning

Each year bills are filed to take away cities' ability to enforce property maintenance codes and zoning. These are in direct conflict with the wishes of our residents, who want to improve their neighborhoods and increase the value of their property. Land use regulation is fundamental to local control and is best managed at the city level.

## 5 Monitor any efforts to exempt sales tax on the existing sales tax base

Sales tax is a vital revenue source for Oklahoma municipal governments. Any erosion of this important resource, such as additional sales tax holidays or a grocery exemption, would have a considerable impact on City services. For example, a sales tax exemption for groceries would cost Oklahoma City at least \$35 million in sales tax revenue annually. This translates into funding for about 375 police officer or firefighter positions. Cities must provide these services and cannot afford to lose this funding.

When the sales tax holiday for back to school clothing was implemented, the statute included a provision to reimburse cities and towns for lost revenue. In addition, for smaller non-profit groups that desire a sales tax exemption, those issues have been handled as a sales tax rebate through the Oklahoma Tax Commission rather than through an exemption at the point of sale. Either model would help keep cities and towns' primary revenue source whole and would limit fraudulent use of exemptions at the point of sale.

The City of Oklahoma City supports efforts on a state level to maintain Oklahoma's status as a member of the Streamlined Sales Tax Project and to achieve parity between brick and mortar retailers and internet-based retailers. The effort on the federal level to establish marketplace fairness is a key component of the City's federal and legislative agenda. The City opposes any action that jeopardizes this status.



## 1 Community service for indigent defendants

Oklahoma City proposes that judges in municipal criminal courts of record have the authority to require indigent people to perform community service at a minimum rate of \$50 credits toward the fines or costs for each day of community service.

The judges would still retain the authority granted by statute to certify the fines and costs as a civil debt in the district court as an alternative option.

Currently, if a defendant is found by a judge to be indigent, the options are:

- 1) have the defendant appear at a later date for another assessment of financial status (should be done if there is an indication that the defendant's financial situation may improve in the near future);
- 2) put the defendant on a payment plan if there is limited ability to pay;
- 3) suspend the fines and costs if options 1 or 2 are not viable;
- 4) release the defendant and certify the fines and costs as a civil debt in district court (which will likely be an uncollectible amount since the defendant is indigent).



The proposed statutory amendment would authorize the judge to exercise discretion in ordering an indigent defendant to perform community work, which would result in credits toward the fines and costs owed. A minimum of \$50 per day of service would establish a minimum that is in line with the amount already established in the statute for useful labor of a jailed defendant who can pay, but refuses to do so. Giving the judge the discretion to allow a greater amount of credit would also be helpful for addressing varying circumstances of the defendants.



## 2 Modify posting requirements for public meetings

In 2017, the City initiated a bill to modernize the posting of public meetings. The bill that was passed included an incorrect statutory reference that needs to be corrected. The new procedures would remain the same, and the reference added to the original bill language would be corrected.



## 3 Designation of ODOT Transit as the state safety oversight entity for the State of Oklahoma

With the construction of the Oklahoma City MAPS 3 Streetcar, the State of Oklahoma will have a designated rail transit agency (COTPA/EMBARK). With a rail transit agency, the State of Oklahoma must comply with the FTA's final rule (49 CFR Part 674), which was effective April 2016, requiring a designated and approved State Safety Oversight program (SSO) by no later than April 15, 2019.

According to the FTA's website "if a state fails to obtain certification for its SSO Program by the deadline, FTA cannot obligate any funds to public transportation agencies throughout that state until certification is achieved" Total FTA Transit funding for the state exceeds \$52 million.

The state legislature must appoint and grant ODOT enforcement authority enabling the agency to carry out the responsibilities outlined in 49 CFR part 674 so that ODOT Transit is named as the designated SSO for the State of Oklahoma. This legislative action needs to occur in the next session, before to the Oklahoma City Streetcar begins revenue service.

Currently the ODOT Transit division has been identified as the SSO by the governor and is working to establish their program standards. However, the state legislature must take formal action establishing ODOT Transit as the SSO for Oklahoma.



## 4 Address Enforcement Issues with alcohol laws when new law goes into effect in October 2018

The statutes that govern alcohol consumption have had a major change with passage of State Question 792 in 2016. In anticipation of these changes, the statutes have been updated and harmonized in two sections of law that governed intoxicating and "non-intoxicating" alcoholic beverages.

In this process, there are some aspects of the statute that still need to be addressed from a law enforcement standpoint. The top three priorities are:

- Allow municipalities to require bars to close from 2 - 6 a.m.
- Allow the City to protest the issuance of an ABLE license within the City. We currently have the ability to protest and appeal the issuance of a license application and want to retain that ability.
- Define the size of an individual alcoholic drink to limit oversized or "fishbowl" drinks.



## 5 Autotheft prevention

In an effort to reduce vehicle theft, law enforcement officials have worked with the metal recycling community over the years to improve proof of ownership for cars that are sold to recyclers and car crushing operations. The intent was to have a person fill out the form and return it to the Tax Commission or a tag agency for verification and then provide it to the recycler, who would accept it as proof of ownership if there was not a title. Instead, people are just getting the forms, filling them out and taking them to the recycler without any verification from the tag agency. That means there is nothing on file with the Tax Commission. By closing this loophole, we think the initial law will have the intended effect.



### 1 Support efforts to create public safety districts within municipal city limits to fund public safety operations

In 2017, legislation was introduced to enable local voters to hold an election to create a public safety district. The district would be funded with an ad valorem assessment to fund police, fire and emergency medical services, and to house inmates. It was not successful, but efforts will likely continue to promote the legislation in 2018.

Expenditures from these funds would be limited to purchase and maintenance of equipment and facilities, and can include salaries and benefits for police and fire. The entire city limits form the boundary for the district and the district would be administered by the municipal governing body.

### 2 Support efforts of the Oklahoma Tax Commission to modernize sales tax collections and implement best practices

Several areas of the tax code that are outdated and have not kept up with the current methods of transacting purchases. E-fairness and tax collections on transactions taking place over the internet is one area of this issue, but there are also other areas where Oklahoma's narrow base of taxable goods no longer reflects the way transactions are currently conducted.

### 3 Support efforts to increase the amount of motor fuels tax allocated to cities and towns for infrastructure

The City of Oklahoma City needs a sufficient, dedicated, reliable source of revenue for maintenance of its transportation infrastructure. State statutes afford Oklahoma City, along with all Oklahoma cities and towns, a fraction of gasoline excise tax which is required to be spent on roads, streets, and bridges. However, this amount – last increased in 1987 – does little to adequately support the City's needs.

OKC is responsible for maintaining an estimated 4,920 linear miles of roads each year. The funding from the motor fuels tax is only 10 percent of the money the City spends each year on road maintenance, and the condition of the City's streets is not even close to the level our residents would like them to be.

To ensure expansion of growth and commerce as well as to fund meaningful alternate transportation projects such as sidewalks, bicycle lanes, and expanded transit service, all of which can reduce long-term street and road costs. It is critical to ensure the Oklahoma excise taxes levied on fuels reflect these needs.

Oklahoma levies an excise tax of 16 cents per gallon of gasoline with a 1 cent fee remitted. Collections are apportioned to government entities responsible for transportation infrastructure and maintenance. Constitutionally, these funds must be spent on streets, roads and bridges.

These apportionments are formula-based but broadly, 64 percent of gasoline excise tax collections go to the State Transportation Fund, 30 percent to counties for highway maintenance, 2.7 percent to the County Bridge & Road Improvement Fund, 1.9 percent to cities and towns for maintenance of local streets, and 1.6 percent to the High Priority State Bridge Revolving Fund.



These percentages are based on amounts determined after initial mandated collections are apportioned off the top, including an initial \$250,000 to the State Highway Fund, 4.5 percent to participating tribal governments and \$3,000 per month to the Oklahoma Aeronautics Fund.

Any proposal to increase the fuel tax must, at a minimum, include an apportionment to cities and towns for infrastructure.

#### 4 Support efforts to enact Marsy's Law, a criminal justice reform addressing the rights of crime victims

The City has been approached by a group supporting a constitutional amendment to provide victims of crime the right to be treated fairly, receive notification and to be heard at plea or sentencing hearings. The Police Department has reviewed the proposed legislation and does not believe it will interfere with current police practice. In 2017, the legislature passed SJR 46, which will bring a state question before voters to enshrine victim's rights into the state constitution.

#### 5 Support efforts to keep car tags with the vehicle owner, not the vehicle

There is a proposal to change state law to have the car tag be registered with the car owner rather than the vehicle. This change will help address the large number of fraudulent sales that take place in Oklahoma. Also, when someone sells their car directly to another person, the car tags are supposed to be updated. This does not always happen, and citations can be issued to the previous owner rather than the current owner. Most states (42) have shifted to this type of registration.

#### 6 Support retaining tools for economic development, such as tax increment financing, successful tax credits and quality jobs

Economic development incentives should provide the state and cities with a benefit that outweighs the cost to the public entity. The City supports increased scrutiny, transparency and openness in evaluating the effectiveness of the State's economic development incentives and the current process that is underway to do so.

Oklahoma City has dedicated significant resources to pursuing economic development opportunities and jobs for our residents. The incentive programs provided by the State work in concert with City-sponsored programs to diversify the state's economy and provide high-paying jobs that are the foundation of our future.



#### 7 Support efforts to coordinate Transport Network Companies (TNC) operations at commercial airports

Currently, TNC companies are under the purview of the Corporation Commission after cities were pre-empted by state law in 2015. Since that time, the TNC drivers are operating at commercial airports in Oklahoma and providing service to passengers. This has created problems with congestion and with a lack of coordination among various forms of commercial transportation at the airport.

Several states have come up with solutions to address TNC's at commercial airports. The business model for TNC's has matured and it may be time to address this special circumstance.



### STATE ISSUES

#### 1 Monitor water rights and supply issues, treated wastewater reuse proposals, legislation impacting ODEQ rules, regulations, or general control

Oklahoma City has the largest municipal water utility in the state. It provides treated water to Oklahoma City residents and multiple communities in the state. Any changes in regulations and fees can have a significant effect on operations and our citizens.

#### 2 Monitor efforts to limit dates for local elections

Available dates for local elections have been reduced in recent years, and the length of time for filing has been increased. As various efforts to reform and change election dates are pursued, the ability to hold local elections to fill vacant seats and garner attention to local issues is also important.

#### 3 Monitor proposed changes to asset forfeiture program that would be detrimental to law enforcement efforts

Under current State law, there are numerous layers of safeguards to protect the rights of people from whom property or money is seized. Police officers only have authority to seize property and money they believe is connected to the drug trade. Each case is reviewed by the appropriate district attorney's office. If the district attorney determines there is sufficient evidence to proceed with a forfeiture action, notice is given to any potential owners and the State has the burden of proof. The money or property is not forfeited unless a judge determines the money or property was actually connected to the drug trade.

A bill was enacted in 2016 that will allow a defendant or claimant who substantially prevails to claim various costs, including attorney and litigation costs, from the entity that seized their property. The bill took effect Nov. 1, 2016.

The current process for distribution of asset forfeiture funds is fair and equitable. It provides due process for people who have lawful claims to the funds and provides a manageable distribution of forfeitures for use by the agencies who encumber the costs of the investigation and prosecution. Making this process more cumbersome and bureaucratic for these agencies would be counter-productive toward the larger goal of fighting crime.

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