

OKLAHOMA

State Profile

Capitol City	Oklahoma City
Governor	Mary Fallin
General Elections	November 2016
Legislature Convenes	January 14, 2014

Senate

Republicans (#)	32
Democrats (#)	16
Term	4 Years
Presiding Officer	President Pro Tempore, Brian Bingman
Majority Leader	Mike Schulz
Minority Leader	Sean Burrage
Major Utility Committee	Energy Committee, Cliff Branan (Chair)

House

Republicans (#)	72
Democrats (#)	29
Term	2 Years
Presiding Officer	Speaker, T.W. Shannon
Majority Leader	Pam Peterson
Minority Leader	Scott Inman
Major Utility Committee	Utility & Environmental Regulation, Colby Schwartz (Chair)

Regulatory Body

Members	Patrice Douglas - R (Chair), Dana Murphy – R, and Bob Anthony – R
Method of Selection	Election
Current Issues	No major regulatory initiatives currently pending, but timely topics include: Distributive Energy Resources & Net-Metering

2013 OKLAHOMA LEGISLATIVE SUMMARY

The first Session of the 54th Legislature of Oklahoma convened on February 4, 2013, and Adjourned Sine Die 16 weeks later May 24, 2013.

During this Session Legislators dealt with 2,600-plus pieces of legislation.

OGE ENERGY LEGISLATION

Top Priority - OGE Energy – House Bill 1932 established a State’s “Right of First Refusal” for the incumbent electricity providers for the construction, ownership and maintenance of certain electric transmission lines, as approved by the Southwest Power Pool (for those lines below 300 KV; e.g. “reliability” projects). We encountered opposition from some external entities, including unregulated, out-of-state transmission companies, as expected, but what was not anticipated was the Chairman of the FERC weighing-in, opposing this legislation. Bill passed without ever receiving a single “NO” Vote!

UTILITY ISSUES

Copper Theft – House Bill 1740 was enacted this Session which created certain regulatory oversight of the Metal Recycling industry in Oklahoma and limited certain cash transactions at scrap metal dealers. This legislation also increased, from a misdemeanor to a felony, the penalty for falsifying a “declaration of ownership”. There was a broad coalition supporting this legislation, including utilities, oil & gas operators, the Broadcasters Association, and even Recycler’s Association, among others (including several law enforcement agencies).

Annual Fleet Permits – Senate Bill 779 was enacted this Session allowing for Electric Utilities and Rural Cooperatives to obtain Annual Fleet Permits for the movement of utility poles on vehicles exceeding the State-allowed maximum of 45’ in length. With the purchase of an Annual Fleet Permit, we can now legally move 50’ and 55’ poles on our Trucks, without first obtaining a daily trip permit, by vehicle. This should not only improve operational efficiency, but should eliminate significant labor costs in obtaining the daily permits.

Water and Water Rights – This issue was high atop the list of topics competing for attention this past year. Obviously, as an electric generator, we utilize a tremendous amount of water; and we must protect our access to that natural resource. The major water-related legislation that passed this year restructured the make-up of the Oklahoma Water Resources Board. However, given the significance of water in a State like Oklahoma, the dialogue, debate (and litigation) will likely continue into the foreseeable future. Interestingly, the U.S. Supreme Court ruled this month in Oklahoma’s favor in a multi-state, water-related lawsuit.

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TAX REFORM

Reducing / Eliminating Individual Income Taxes continued as a “High Priority” for Governor Fallin in, this, her 1st Term. This Session the Legislature reduced personal income tax rates down to 5.0%, with provisions to reduce it even further to 4.85%, if certain triggers are reached.

The topic of State-issued Tax Credits and the “transferability” of those tax credits consumed a significant portion of time and energy again this Session, with certain tax credits becoming “refundable” (at a 15% discount) rather than remaining transferable.

UPDATE - Should “Intangibles” be subject to Ad Valorem taxes? – There was a Referendum in the 2012 General Election where the voters overwhelmingly supported a measure to exempt ALL intangibles from Ad Valorem taxes, which prevented the “largest tax increase” in the State’s history.

WORKERS’ COMPENSATION REFORM

Replacing Oklahoma’s broken workers’ compensation system was an historic accomplishment. This legislation created a monumental shift from an adversarial judicial system to an administrative system, which proponents say will “lower costs for businesses and get injured workers the quick relief they need”.