

# Senate Journal

## Second Extraordinary Session of the Fifty-sixth Legislature of the State of Oklahoma

**Fifth Legislative Day, Monday, February 12, 2018**

The Senate was called to order by Senator Griffin.

Roll Call:

Present: Allen, Bass, Bergstrom, Bice, Boggs, Brecheen, Brooks, Brown, Dahm, Daniels, David, Dossett, Dugger, Fields, Floyd, Fry, Griffin, Holt, Ikley-Freeman, Jech, Kidd, Leewright, Matthews, McCortney, Paxton, Pederson, Pemberton, Pittman, Pugh, Quinn, Rader, Rosino, Schulz, Scott, Sharp, Shaw, Silk, Simpson, Smalley, Sparks, Standridge, Stanislawski, Sykes, Thompson, Treat and Yen.—46.

Excused: Newhouse.—1.

Vacancy: District 27.—1.

Senator Griffin declared a quorum present.

### COMMUNICATION

The Executive Order issued by the Governor was read at length as follows:

#### EXECUTIVE DEPARTMENT SECOND AMENDED EXECUTIVE ORDER 2017-43

To the Honorable Members of the Oklahoma House of Representatives and the Honorable Members of the Oklahoma State Senate:

I, Mary Fallin, Governor of the State of Oklahoma, pursuant to the authority vested in me by the provisions of Section 7 of Article VI of the Oklahoma Constitution, hereby amend the call for the Second Extraordinary Session of the Fifty Sixth Legislature which convened at the State Capitol on Monday, December 18, 2017. I recommend the following amended subjects for the Legislature's consideration:

To provide a long-term revenue solution to the state's budget shortfalls by:

Increasing the tax on cigarettes, and little cigars by \$1.50 per pack.  
An additional 10% on chewing tobacco and e-cigarettes;

Increasing the oil and gas gross production tax by increasing the rate on wells currently at 2% to 4%, and all future wells will begin at 4% for 36 months and move to 7% thereafter;

Implementing a Renewables Generation Tax at \$1.00 per MWH;

Increasing the rate on diesel and gasoline by \$0.06 per gallon;

Imposing a dollar Cap on transferability/cash refundability for coal, wind and railroad tax credits effective the 2018 tax year;

Expanding the definition of covered games in the Model Tribal Gaming Compact to include "non-house-banked table games;" and

Reforming rates, exemptions, deductions and credits on the individual income tax code.

To create an accountability office designed to expose waste, fraud and abuse of taxpayers' dollars in state government.

To modify the structure of state government and increase accountability by replacing the appointing power of specified boards and commissions with granting the Governor direct appointing authority over these specified agency directors. This can be accomplished by statutory change or by referring a Constitutional change to a vote of the people when necessary.

To address a needed \$5,000.00 pay increase for certified education staff, excluding any superintendents.

Copies of this Second Amended Executive Order shall be distributed to every member of the Oklahoma House of Representatives, every member of the Oklahoma State Senate, the Clerk of the House of Representatives, the Secretary of the Senate, and the Director of the Office of Management and Enterprise Services.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Oklahoma to be affixed at Oklahoma City, Oklahoma, this 19<sup>th</sup> day of January, 2018.

By the Governor of the State of Oklahoma  
/s/ Mary Fallin

Attest:  
/s/ Dave Lopez, Secretary Of State

## **MESSAGE FROM THE HOUSE**

Advising passage of and transmitting for consideration Engrossed **HB 1033**.

**HB 1033** – By Wallace and Casey of the House and David and Fields of the Senate.

An Act relating to revenue and taxation; stating purpose pursuant to the authority provided in Section 57 of Article V of the Oklahoma Constitution; imposing additional tax levy upon cigarettes; specifying amount of additional levy; providing for apportionment of revenues; exempting levy from inclusion in determination of certain amounts; requiring certain collections and administration of levy; prohibiting sale of cigarette excise tax stamps to wholesalers in excess of certain amount; providing exception; creating the State Health Care Enhancement Fund; exempting fund from fiscal year limitations; identifying funding source; authorizing appropriations from fund for certain purpose; amending 68 O.S. 2011, Sections 402, 402-1 and 402-3, which relate to tax levies on tobacco products; providing that little cigars be taxed in the same rate and manner as cigarettes; clarifying language; imposing additional tax levy upon chewing tobacco; specifying amount of additional levy; providing for apportionment of revenues; prohibiting certain acts; declaring levy as a tax on the consumer; imposing tax on gasoline and diesel fuel; establishing amount of tax on a per-gallon basis; requiring deposit of certain revenue, penalties and interest in certain fund; amending 68 O.S. 2011, Section 500.10, which relates to exemption from motor fuels tax; extending exemptions to additional tax levy; amending 68 O.S. 2011, Section 1001, as last amended by Section 1, Chapter 5, 1st Extraordinary Session, O.S.L. 2017 (68 O.S. Supp. 2017, Section 1001), which relates to gross production tax; limiting period where certain rate is applicable; implementing rate applicable to initial production for certain period; modifying rate treatment of production enhancement projects after certain date; making treatment applicable to production within a certain period; modifying definitions of certain terms; eliminating certain definition; eliminating references to certain subsection; modifying application of certain provisions related to claims for and payments of tax refunds; modifying process related to qualification and administration of certain exemptions and reduced rates; amending 68 O.S. 2011, Section 1004, as last amended by Section 2, Chapter 355, O.S.L. 2017 (68 O.S. Supp. 2017, Section 1004), which relates to apportionment of gross production taxes; providing certain collections be apportioned in certain manner; enacting the Oklahoma Zero-Emission Facility Energy Tax Act of 2018; stating purpose of tax pursuant to Section 19 of Article X of the Oklahoma Constitution; defining terms; imposing levy of tax on certain electrical power production; providing levy

in addition to and not in lieu of certain other taxes; providing exemption from tax for certain wind turbines; requiring remittance of tax; specifying persons or entities required to remit; providing for monthly remittance; providing for penalty; providing for imposition of interest; providing for apportionment of revenue to the General Revenue Fund; repealing 68 O.S. 2011, Section 402-2, which relates to additional tax on tobacco products; providing for codification; and providing for noncodification.

The above-numbered measure was read the first time.

Senator Treat moved that when the clerk's desk is clear, the Senate stand adjourned to convene at the Call of the Chair, which motion prevailed.

### **FIRST READING**

The following was introduced and read the first time:

**SB 4XX** – By Brecheen.

An Act relating to public finance; providing definition; requiring legislative approval for certain pass-through spending by state agencies; enumerating pass-through spending items; providing for codification; providing an effective date; and declaring an emergency.

Pursuant to the Treat motion, the Senate adjourned at 2:20 p.m. to meet at the Call of the Chair.