

# THE FIRST WORD

March, 2017

## LEGISLATIVE REPORT

### Secretary of Transportation Gary Ridley Urges Engineering Profession to Support Sales Tax on Professional Services; Session Passes First Major Deadline

As reported in our February, Governor Mary Fallin has proposed extending the state sales tax to 164 professional services, including engineering, architecture, & land surveying. In the State of the State address, the Governor outlined a broad tax reform policy to modernized Oklahoma's tax structure to reflect a shift from a manufacturing-based to a service-based economy.

On Tuesday, February 21st, Secretary of Transportation Gary Ridley met with some 90 ACEC OKLAHOMA members, representing nearly 50% of our member firms. Ridley provided an overview of the funding crisis that Oklahoma has faced the past 3 years totaling in excess of \$3 billion, and challenged consulting engineers to become involved and do what engineers do best....create solutions!



Ridley believes that one of those solutions is enactment of the sales tax on professional services, and urged ACEC OKLAHOMA and member firms to support the Governor's plan. He open in his belief that Oklahoma's transportation program was in serious jeopardy if major changes to the Oklahoma tax system are not enacted this Legislative Session.

The ACEC OKLAHOMA Board of Directors took the Secretary's comments very seriously, and strongly supports a modernization of the state's tax system to a broad-based, stable tax system which is fair and equitable to all Oklahomans.

ACEC OKLAHOMA encourages all member firms to become involved by engaging with your State Senator and State Representative as well as "Letters to the Editor" letting them know your position on the variety of issues they face.

#### AROUND THE CAPITOL

This past Thursday saw the Legislature reach the first major deadline with bills having to clear committee in the original house. Of the some 2,300 bills and resolutions introduced this session, only 830 received committee approval before the deadline. Floor action on these bills in the House and Senate will be now the focus of the next three weeks.

#### Bills ACEC OKLAHOMA is watching include:

**Senate Bill 168** by Senator Allen, which would have put a two-year moratorium on ODOT's hiring of consulting engineers failed to meet the deadline as Senator Allen asked that the bill be "laid over" and not heard by the Committee.

**House Bill 1165** by Rep. Murphy would take ODOT out of the CIRB program, and distribute all monies directly to the counties. ACEC OKLAHOMA is concerned with this bill, and is monitoring progress closely as it awaits floor action in the House.

**House Bill 1249** by Rep. Sanders would move ODOT funds from the "State Transportation Fund" to the "State Highway Construction & Maintenance Fund." This move would protect ODOT funds by making the funds "direct deposit" rather than "appropriated" funds. Awaiting floor action in House.

**House Bill 1282** by Rep. Wallace makes "model law" changes to the State Board of Licensure PE/LS statutes, and, provides definition of the structure engineer "S.E." designation. ACEC OKLAHOMA **SUPPORTS** the changes, and the bill is awaiting House floor action.

**Senate Bill 562** by Sen. Bergstrom would exempt state agencies and schools erecting a pre-fab building which has undergone engineering design when created, from being required contract with a consultant for ANY further engineering or architectural services. ACEC OKLAHOMA **OPPOSES** this bill which is awaiting Senate floor action.

**Senate Bill 751** by Newberry requires State Fire Marshall to complete plan review and permitting within 45 days, outsource review if necessary, or authorize person applying for permit to submit plans to engineer or architect for code conformity review. Fire Marshall shall be notified of conformity and permit issued. ACEC OKLAHOMA **SUPPORTS** this bill which is awaiting Senate floor action.

Budget discussions are in very early stages, and as those progress, tax reform measures may start to appear, which may include motor fuel tax increases, revisions to income tax, professional service taxes, and more. It may be several weeks before these appear, but ACEC OKLAHOMA will monitor and keep you apprised.

## “Transportation Day at the Capitol” Wednesday, March 8th

TRUST’s annual “Transportation Day at the Capitol” will be held on Wednesday, March 8th at the State Capitol, and ACEC OKLAHOMA members are encouraged to attend.

The program will begin at 11:45am with a luncheon in the 2nd Floor Rotunda which is usually attended by a number of House and Senate members. Lunch will be followed by a Legislative Briefing with the Governor and Lt. Governor, and in-office visits with individual legislators.

To register, go to [www.restoretrust.org](http://www.restoretrust.org)

## ACEC ACTION ALERT

### Action Needed to Spur Senate Overturn of “Blacklisting Rule

ACEC encourages members to contact their Senators to urge them to overturn the proposed "Blacklisting" rule, which would impose problematic new reporting requirements on firms competing for federal work.

The Council secured passage of House legislation eliminating the rule last week and the Senate is scheduled to vote on the measure next week.

The "Blacklisting" rule would require firms to self-report claims of *alleged* violations of federal labor laws when competing for federal work.

[Click](#) here for a sample letter and to take action.

## Concrete Pavers Association Seeks New Executive Director

The Oklahoma/Arkansas Chapter of the American Concrete Pavers Association is seeking a new Executive Director for the organization. Long-time Exec Brent Burwell is resigning to take a position with an ACEC OKLAHOMA member firm.

The ACPA OK/AR Executive Director must hold a bachelors degree in Civil Engineering, and it is desirable that candidates be a registered Professional Engineer. The candidate must also have a background in concrete paving engineering and be willing to travel about 60% of the year.

For additional information on the position, contact:

Tim Mummey, Chairman  
ACPA OK/AR

## Annual ACEC Professional Liability Insurance Survey

Each year, ACEC’s Rick Management Committee conducts an on-line survey of all ACEC member firms regarding third professional liability insurance, claims experience, and the impact of the potential thread of litigation.

An email from Victor O. Schinnerer & Company has been sent to the primary contact of each ACEC member firm.

Deadline to participate is March 10, 2017. We encourage you to participate in the annual survey and provide your valuable feedback.

If you cannot locate the email from Victor O. Schinnerer, here is a direct link to the survey:

<http://www.surveymonkey.com/r/2017/ACECPLISURVEY>

## ACEC ACTION ALERT

### Support Tax-Exempt Status of Municipal Bonds

Proposals are under consideration in Congress to cap or eliminate the tax-exempt status of municipal bonds, a move which could seriously impact the ability of state and local governments to finance critical infrastructure projects. ACEC Member action is needed to build support for a bipartisan letter authored by Congressmen Randy Hultgren (R-IL) and Dutch Ruppersberger (D-MD) in support of maintaining the tax-exempt status of municipal bonds.

[Click here](#) for more information and to access a sample letter to send to your Member of Congress.

ACEC, organizations representing state and local governments, and other stakeholders have raised serious concerns over this effort, noting that it would raise the cost of infrastructure projects and reduce opportunities for engineering firms. Over the past ten years, state and local governments have financed more than \$1.6 trillion in infrastructure using municipal bonds. According to the Congressional Budget Office, approximately 75 percent of public funding for transportation and water infrastructure is supplied by state and local governments.

Please contact [Katharine Mottley](#), Director of Tax & Regulatory Affairs, (202) 347-7474, with any questions.

### Mark Your Calendar

ODOT/ACEC Partnering Conference  
Thursday, May 18, 2017  
Reed Center, Midwest City

Registration information coming in April



# Guernsey Wins 2016 “Grand Conceptor” EEA Award

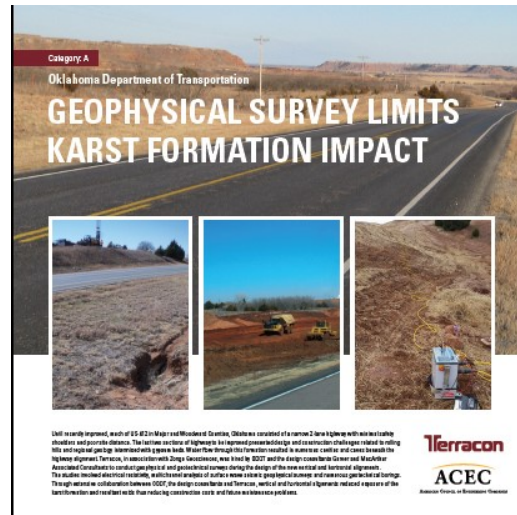
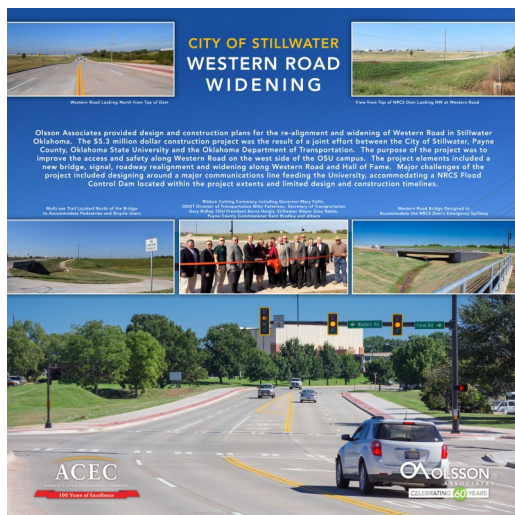
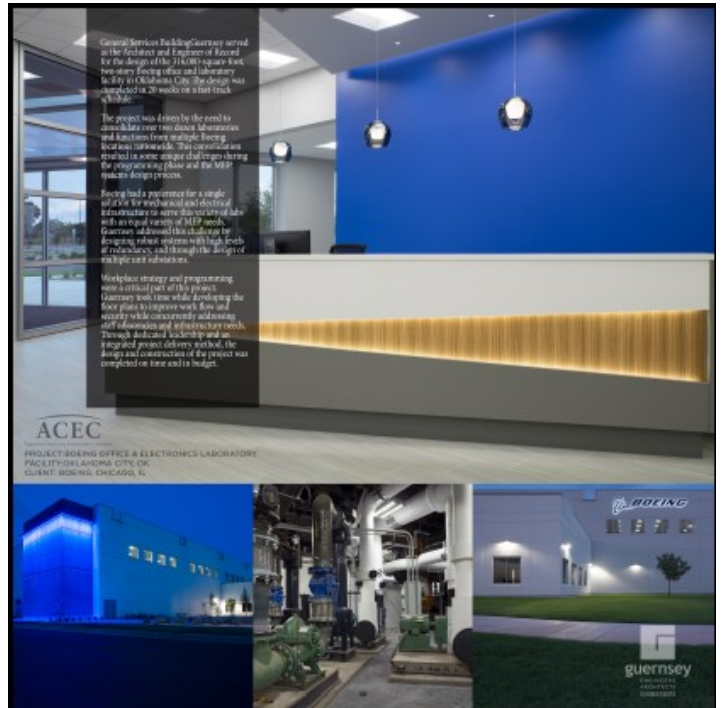
Guernsey received ACEC OKLAHOMA’s highest award in the 2016 Engineering Excellence Awards Competition. Their design for the Boeing Office & Electronics Laboratory Facility.

The 316,000 sq.ft. facility is programmed to bring some 800 high paying engineering/technical jobs to the greater Oklahoma City area, consolidating 30 labs and functions from other Boeing facilities. Physical secrecy and security as a primary driver as each space had to be analyzed on classification requirements. The facility was also “hardened” to withstand an F4 tornado to protect employees and high-value aeronautical laboratory equipment.

ACEC OKLAHOMA presented “Honor Awards” to four outstanding projects:

- CEC - OSU Intramural Sports Fields, Stillwater
- Olsson Associates - Emergency Repair of May Ave. Bridge in Oklahoma City
- Olsson Associates - Widening of Western Road, Stillwater
- Terracon - Geophysical Survey Limits Karst Formation Impact Study, Major & Woodward Counties.

Congratulations to all of the firms for their outstanding entries.



## President's Monthly Update

### March, 2017

#### David Raymond, President & CEO

In the wake of the President's address to a Joint Session of Congress last night in which he reaffirmed his call to rebuild the nation's infrastructure, ACEC will continue to press for a comprehensive approach to infrastructure investment that includes both public and private investment. As we have long maintained, this should be a bipartisan effort for significant long-term benefits for our nation's economic security. Earlier yesterday, the President ordered a re-do of the Waters of the U.S. rule, which was music to ACEC ears as we have been advocating such a re-do for more than a year. On an ACEC governance matter, the Nominating Committee is soliciting applications for ACEC's chair-elect and four vice-chair positions commencing April 2018. I would encourage MO leaders who have been active in ACEC and who are interested in national leadership positions to seriously consider becoming candidates and submit their applications through their state MOs to the national office by April 7, 2017.

#### General

- In a major victory for ACEC, President Trump ordered a "do-over" of the Waters of the U.S. (WOTUS) rule, which would have imposed an expansive regulatory framework preventing critical infrastructure improvements for questionable benefits to water quality; a "do-over" will benefit both development and water quality protection.
- Six new Members of Congress – Representatives Matt Gaetz (R-FL), Drew Ferguson (R-GA), Paul Mitchell (R-MI), Lloyd Smucker (R-PA), Scott Taylor (R-VA), and Bruce Westerman (R-AR) – were at ACEC headquarters in February for orientation visits and discussions on the Council's agenda; ACEC/PAC also co-hosted a fundraiser for Representative Charlie Dent (R-PA).
- Hosted the FIDIC (international council of engineering associations) Executive Committee meeting at ACEC headquarters to review progress on QBS and other industry issues worldwide.
- Our fast-approaching Annual Convention will address key infrastructure, tax, regulatory, and other business practice issues; 36 Grand and Honor EEA winners will be recognized along with 126 National Recognition Award recipients at the 50th anniversary EEA Gala; click here for Convention registration information – "early bird" discounts end March 24th.

#### Government Advocacy

- The House cleared ACEC-backed legislation to overturn the proposed "Blacklisting" rule, which would jeopardize government contractors for mere allegations of various labor rule violations; the Council also launched a grassroots Action
- Alert urging ACEC members to contact their Senators to support the legislation.
- Signed a coalition letter in support of repealing the health insurance tax (HIT) on the fully-insured health plans typically offered by small firms.
- Joined business allies in support of legislation that facilitates association health plans, such as the ACEC Life/Health Trust.
- Joined 40 transportation stakeholder organizations urging Secretary of Transportation Elaine Chao to modify a burdensome new rule requiring state DOTs to measure greenhouse gas (GHG) emissions and set emission reduction targets as part of a broad performance management framework; the final rule has been delayed for 60 days under a Presidential Executive Order postponing implementation of regulations published in the last days of the Obama Administration.
- Joined with the U.S. Chamber, National Association of Manufacturers, the American Chemistry Council and other organizations in urging President Trump to submit nominations to fill the Federal Energy Regulatory Commission's three vacant commissioner positions; this is needed to facilitate the approval of permit applications for major energy infrastructure projects.
- ACEC staff provided federal legislative briefings at state meetings in Kentucky and Wisconsin.
- The ACEC Environment and Energy Committee winter meeting in Washington, D.C. featured presentations on regulatory challenges and market opportunities in the energy and water sectors.

