

1 ENGROSSED HOUSE  
2 BILL NO. 2742

By: Wallace and Hilbert of the  
House

3 and

4 Thompson and Rader of the  
5 Senate

6  
7 An Act relating to insurance premium tax; amending 36  
8 O.S. 2011, Section 312.1, as amended by Section 5,  
9 Chapter 165, O.S.L. 2013 (36 O.S. Supp. 2019, Section  
10 312.1), which relates to the apportionment of  
11 collections; clarifying reference; modifying  
12 apportionment amounts to certain pension systems in  
13 certain fiscal years; providing apportionment to  
14 certain fund; prohibiting certain reductions of  
15 certain apportionments; and providing an effective  
16 date.

17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. AMENDATORY 36 O.S. 2011, Section 312.1, as  
19 amended by Section 5, Chapter 165, O.S.L. 2013 (36 O.S. Supp. 2019,  
20 Section 312.1), is amended to read as follows:

21 Section 312.1 A. For the fiscal year ending June 30, 2004, the  
22 Insurance Commissioner shall report and disburse one hundred percent  
23 (100%) of the fees and taxes collected under Section 624 of this  
24 title to the State Treasurer to be deposited to the credit of the  
Education Reform Revolving Fund ~~created pursuant to Section 34.89 of~~  
~~Title 62 of the Oklahoma Statutes~~ of the State Department of

1 Education. The Insurance Commissioner shall keep an accurate record  
2 of all such funds and make an itemized statement and furnish same to  
3 the State Auditor and Inspector, as to all other departments of this  
4 state. The report shall be accompanied by an affidavit of the  
5 Insurance Commissioner or the Chief Clerk of such office certifying  
6 to the correctness thereof.

7 B. ~~For the fiscal year beginning July 1, 2006, and for each~~  
8 ~~fiscal year thereafter, the~~ The Insurance Commissioner shall  
9 apportion an amount of the taxes and fees received from Section 624  
10 of this title, which shall be at least One Million Two Hundred Fifty  
11 Thousand Dollars (\$1,250,000.00) each year, but which shall also be  
12 computed on an annual basis by the Commissioner as the amount of  
13 insurance premium tax revenue loss attributable to the provisions of  
14 subsection H of Section 625.1 of this title and increased if  
15 necessary to reflect the annual computation, and which shall be  
16 apportioned before any other amounts, ~~to the following pension~~  
17 ~~systems and in the following amounts~~ as follows:

18 1. ~~Sixty-five percent (65%)~~ The following amounts shall be paid  
19 to the Oklahoma Firefighters Pension and Retirement Fund in the  
20 manner provided for in Sections 49-119, 49-120 and 49-123 of Title  
21 11 of the Oklahoma Statutes:

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2006 through FY 2020</u>	<u>65.0%</u>
<u>FY 2021 as follows:</u>	

1           a.    for the month beginning July 1,  
2                   2020, through the month ending  
3                   August 31, 2020                                   65.0%

4           b.    for the month beginning September  
5                   1, 2020, through the month ending  
6                   June 30, 2021                                   45.5%

7           FY 2022   48.75%

8           FY 2023 and each fiscal year thereafter                                   65.0%;

9           2. ~~Twenty-six percent (26%)~~ The following amounts shall be paid  
10 to the Oklahoma Police Pension and Retirement System pursuant to the  
11 provisions of Sections 50-101 through 50-136 of Title 11 of the  
12 Oklahoma Statutes:

13           Fiscal Year   Amount

14           FY 2006 through FY 2020   26.0%

15           FY 2021 as follows:

16           a.    for the month beginning July 1,  
17                   2020, through the month ending  
18                   August 31, 2020                                   26.0%

19           b.    for the month beginning September  
20                   1, 2020, through the month ending  
21                   June 30, 2021                                   18.2%

22           FY 2022   19.5%

23           FY 2023 and each fiscal year thereafter                                   26.0%; and

24

1 3. ~~Nine percent (9%)~~ The following amounts shall be paid to the  
2 Law Enforcement Retirement Fund:

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2006 through FY 2020</u>	<u>9.0%</u>
<u>FY 2021 as follows:</u>	
<u>a. for the month beginning July 1,</u>	
<u>2020, through the month ending</u>	
<u>August 31, 2020</u>	<u>9.0%</u>
<u>b. for the month beginning September</u>	
<u>1, 2020, through the month ending</u>	
<u>June 30, 2021</u>	<u>6.3%</u>
<u>FY 2022</u>	<u>6.75%</u>
<u>FY 2023 and each fiscal year thereafter</u>	<u>9.0%; and</u>

14 4. The following amounts shall be paid to the Education Reform  
15 Revolving Fund of the State Department of Education:

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2021 as follows:</u>	
<u>for the month beginning September 1,</u>	
<u>2020, through the month ending June 30,</u>	
<u>2021</u>	<u>30.0%</u>
<u>FY 2022</u>	<u>25.0%.</u>

22 C. After the apportionment required by subsection B of this  
23 section, for the fiscal years beginning July 1, 2004, and ending  
24 June 30, 2009, the Insurance Commissioner shall report and disburse

1 all of the fees and taxes collected under Section 624 of this title  
2 and Section 2204 of this title, and the same are hereby apportioned  
3 as follows:

4 1. Thirty-four percent (34%) of the taxes collected on premiums  
5 shall be allocated and disbursed for the Oklahoma Firefighters  
6 Pension and Retirement Fund, in the manner provided for in Sections  
7 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes;

8 2. Seventeen percent (17%) of the taxes collected on premiums  
9 shall be allocated and disbursed to the Oklahoma Police Pension and  
10 Retirement System pursuant to the provisions of Sections 50-101  
11 through 50-136 of Title 11 of the Oklahoma Statutes;

12 3. Six and one-tenth percent (6.1%) of the taxes collected on  
13 premiums shall be allocated and disbursed to the Law Enforcement  
14 Retirement Fund; and

15 4. All the balance and remainder of the taxes and fees provided  
16 in Section 624 of this title shall be paid to the State Treasurer to  
17 the credit of the General Revenue Fund of the state to provide  
18 revenue for general functions of state government. The Insurance  
19 Commissioner shall keep an accurate record of all such funds and  
20 make an itemized statement and furnish same to the State Auditor and  
21 Inspector, as to all other departments of this state. The report  
22 shall be accompanied by an affidavit of the Insurance Commissioner  
23 or the Chief Clerk of such office certifying to the correctness  
24 thereof.

D. After the apportionment required by subsection B of this section, the Insurance Commissioner shall report and disburse all of the fees and taxes collected under Section 624 of this title and Section 2204 of this title, and the same are hereby apportioned as follows:

1. ~~Thirty-six percent (36%) of~~ Of the taxes collected on premiums the following shall be allocated and disbursed for the Oklahoma Firefighters Pension and Retirement Fund, in the manner provided for in Sections 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes:

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2006 through FY 2020</u>	<u>36.0%</u>
<u>FY 2021 as follows:</u>	
<u>a. for the month beginning July 1,</u>	
<u>2020, through the month ending</u>	
<u>August 31, 2020</u>	<u>36.0%</u>
<u>b. for the month beginning September</u>	
<u>1, 2020, through the month ending</u>	
<u>June 30, 2021</u>	<u>25.2%</u>
<u>FY 2022</u>	<u>27.0%</u>
<u>FY 2023 through FY 2027</u>	<u>39.6%</u>
<u>FY 2028 and each fiscal year thereafter</u>	<u>36.0%;</u>

2. ~~Fourteen percent (14%) of~~ Of the taxes collected on premiums the following shall be allocated and disbursed to the Oklahoma

1 Police Pension and Retirement System pursuant to the provisions of  
2 Sections 50-101 through 50-136 of Title 11 of the Oklahoma Statutes:

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2006 through FY 2020</u>	<u>14.0%</u>

5 FY 2021 as follows:

6 <u>a.   for the month beginning July 1,</u>	
7 <u>2020, through the month ending</u>	
8 <u>August 31, 2020</u>	<u>14.0%</u>

9 <u>b.   for the month beginning September</u>	
10 <u>1, 2020, through the month ending</u>	
11 <u>June 30, 2021</u>	<u>9.8%</u>

12 <u>FY 2022</u>	<u>10.5%</u>
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13 <u>FY 2023 through FY 2027</u>	<u>15.4%</u>
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14 <u>FY 2028 and each fiscal year thereafter</u>	<u>14.0%;</u>
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15     3. ~~Five percent (5%) of~~ Of the taxes collected on premiums the  
16 following shall be allocated and disbursed to the Law Enforcement  
17 Retirement Fund:

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2006 through FY 2020</u>	<u>5.0%</u>

20 FY 2021 as follows:

21 <u>a.   for the month beginning July 1,</u>	
22 <u>2020, through the month ending</u>	
23 <u>August 31, 2020</u>	<u>5.0%</u>

b. for the month beginning September 1, 2020, through the month ending June 30, 2021 3.5%

FY 2022 3.75%

FY 2023 through FY 2027 5.5%

FY 2028 and each fiscal year thereafter 5.0%; and

4. The following amounts shall be paid to the Education Reform Revolving Fund of the State Department of Education:

<u>Fiscal Year</u>	<u>Amount</u>
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FY 2021 as follows:

for the month beginning September 1, 2020, through the month ending June 30, 2021 16.5%

FY 2022 13.75%;

5. In addition to the allocations made pursuant to paragraphs 1, 2 and 3 of this subsection, of the taxes collected on premiums the following amounts shall be allocated and disbursed annually for FY 2023 through FY 2027:

a. Eighty-one Thousand Two Hundred Fifty Dollars (\$81,250.00) to the Oklahoma Firefighters Pension and Retirement Fund,

b. Thirty-two Thousand Five Hundred Dollars (\$32,500.00) to the Oklahoma Police Pension and Retirement System, and



1           c.   Eleven Thousand Two Hundred Fifty Dollars (\$11,250.00)  
2                           to the Oklahoma Law Enforcement Retirement Fund; and

3           6. All the balance and remainder of the taxes and fees provided  
4 in Section 624 of this title shall be paid to the State Treasurer to  
5 the credit of the General Revenue Fund of the state to provide  
6 revenue for general functions of state government. The Insurance  
7 Commissioner shall keep an accurate record of all such funds and  
8 make an itemized statement and furnish same to the State Auditor and  
9 Inspector, as to all other departments of this state. The report  
10 shall be accompanied by an affidavit of the Insurance Commissioner  
11 or the Chief Clerk of such office certifying to the correctness  
12 thereof.

13           E. The disbursements provided for in subsections A, B, C and D  
14 of this section shall be made monthly. The Insurance Commissioner  
15 shall report annually to the Governor, the Speaker of the House of  
16 Representatives, the President Pro Tempore of the Senate and the  
17 State Auditor and Inspector, the amounts collected and disbursed  
18 pursuant to this section.

19           F. Notwithstanding any other provision of law to the contrary,  
20 no tax credit authorized by law enacted on or after July 1, 2008,  
21 which may be used to reduce any insurance premium tax liability  
22 shall be used to reduce the amount of insurance premium tax revenue  
23 apportioned to the Oklahoma Firefighters Pension and Retirement  
24 System, the Oklahoma Police Pension and Retirement System ~~or~~, the

1 Oklahoma Law Enforcement Retirement System or the Education Reform  
2 Revolving Fund.

3 SECTION 2. This act shall become effective September 1, 2020.

4 Passed the House of Representatives the 5th day of May, 2020.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2020.

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Presiding Officer of the Senate

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