

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 58th Legislature (2021)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2180

By: Johns of the House

and

**McCortney** of the Senate

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10                                   COMMITTEE SUBSTITUTE

11                   An Act relating to payroll deductions; amending 62  
12                   O.S. 2011, Section 34.70, as amended by Section 393,  
13                   Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2020, Section  
14                   34.70), which relates to voluntary payroll  
15                   deductions; removing requirement for making payroll  
16                   deductions for certain insurance premiums; and  
17                   providing an effective date.

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

19                   SECTION 1.           AMENDATORY           62 O.S. 2011, Section 34.70, as  
20                   amended by Section 393, Chapter 304, O.S.L. 2012 (62 O.S. Supp.  
21                   2020, Section 34.70), is amended to read as follows:

22                   Section 34.70 A. 1. Upon the request of a state employee, a  
23                   state agency shall make voluntary payroll deductions for the  
24                   employee to any credit union, bank, or savings association having an  
                  office in this state.

1           2. If the governing body of any county, municipality, or school  
2 district provides for voluntary payroll deductions to a credit union  
3 serving the employees of the county, municipality, or school  
4 district, it shall provide voluntary payroll deductions to any  
5 credit union, bank, or savings association having an office in this  
6 state which has a minimum participation of twenty percent (20%) of  
7 the employees of the county, municipality, or school district.

8           B. Upon the request of a state employee and pursuant to  
9 procedures established by the Director of the Office of Management  
10 and Enterprise Services, a state agency shall make payroll  
11 deductions for:

12           1. The payment of any insurance premiums due a private  
13 insurance organization with a minimum participation of five hundred  
14 (500) state employees for life, accident, and health insurance which  
15 is supplemental to that provided for by the state;

16           2. The payment of any insurance premiums, other than the  
17 premiums due pursuant to paragraph 1 of this subsection, due a  
18 private insurance organization or service company ~~which is regulated~~  
19 ~~by the State Insurance Commissioner and~~ with a minimum participation  
20 of five hundred (500) state employees for legal services;

21           3. Premiums or payments for retirement plans with a minimum  
22 participation of five hundred (500) state employees for retirement  
23 plans which are supplemental to that provided for by the state;

1       4. Salary adjustment agreements included in a flexible benefits  
2 plan as authorized by the State Employees Flexible Benefits Act;

3       5. Membership dues utilized for benefits, goods or services  
4 provided by the Oklahoma Public Employees Association to the  
5 organization's membership or any other statewide association limited  
6 to state employee membership with a minimum membership of two  
7 thousand (2,000) dues-paying members. For purposes of this  
8 paragraph, state agencies shall accept online or electronically  
9 submitted forms from the Oklahoma Public Employees Association and  
10 other state employee associations. The Office of Management and  
11 Enterprise Services shall develop and implement a verification  
12 process for online or electronically submitted forms which may  
13 include the use of electronic signature technology or other process  
14 as determined appropriate;

15       6. Contributions to any foundation organized pursuant to 26  
16 U.S.C., Section 501(c)(3) of the Oklahoma Public Employees  
17 Association or any other statewide association limited to state  
18 employee membership with a minimum membership of two thousand  
19 (2,000) dues-paying members;

20       7. Payments to a college savings account administered under the  
21 Oklahoma College Savings Plan Act pursuant to Section 3970.1 et seq.  
22 of Title 70 of the Oklahoma Statutes;

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1 8. Subscriptions to the Oklahoma Today magazine published by  
2 the State of Oklahoma through the Oklahoma Tourism and Recreation  
3 Department; and

4 9. The payment of any insurance premiums due a private  
5 insurance organization, which is regulated by the State Insurance  
6 Commission, for an Oklahoma Long-Term Care Partnership Program  
7 approved policy pursuant to the Oklahoma Long-Term Care Partnership  
8 Act.

9 C. The administrative costs of processing payroll deductions or  
10 administering salary adjustment agreements for insurance premiums as  
11 provided for in subsection B of this section shall be a charge of  
12 two percent (2%) of the gross annual premiums for insurance plans.  
13 The administrative costs of processing payroll deductions or  
14 administering salary adjustment agreements for payments for  
15 retirement plans as provided for in subsection B of this section  
16 shall be one percent (1%) of the gross annual payments for  
17 retirement plans. These charges shall be collected monthly from the  
18 private insurance or retirement plan organization by the Office of  
19 Management and Enterprise Services and shall be deposited to the  
20 credit of the General Revenue Fund. Provided that these costs shall  
21 not be collected from state employees or state agencies unless  
22 otherwise directed in the Oklahoma State Finance Act.

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1 D. Any statewide association granted a payroll deduction prior  
2 to January 1, 2008, shall be exempt from the minimum state employee  
3 membership requirement.

4 E. Approval of a payroll deduction or salary adjustment  
5 agreement for any insurance organization, line of coverage or policy  
6 shall not be construed as an assumption of liability, for the term  
7 of policy or the performance of the insurance organization, by this  
8 state, or any of its agencies or any officer or employee thereof.  
9 Contracts for such insurance shall be in all respects subject to the  
10 insurance laws of this state, and shall be enforceable solely  
11 pursuant to such laws.

12 F. The Oklahoma Employment Security Commission is authorized to  
13 deduct from the wages or salary of its employees the employees'  
14 contribution to the Oklahoma Employment Security Commission  
15 Retirement Plan.

16 G. Payroll deductions shall be made for premium payments for  
17 group insurance for retired members or beneficiaries of any state-  
18 supported retirement system upon proper authorization given by the  
19 member or beneficiary to the board from which the member or  
20 beneficiary is currently receiving retirement benefits.

21 H. Upon request of instructional personnel employed at either  
22 the Oklahoma School for the Blind or the Oklahoma School for the  
23 Deaf and pursuant to procedures established by the Director of the  
24 Office of Management and Enterprise Services, the Commission for

1 Rehabilitation Services shall make payroll deductions for membership  
2 dues in any statewide educational employee organization or  
3 association.

4 I. Upon the request of a state employee of the Department of  
5 Corrections, the Department shall make voluntary payroll deductions  
6 for the employee to the Correctional Peace Officer Foundation.

7 SECTION 2. This act shall become effective November 1, 2021.

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9 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 02/25/2021 - DO  
10 PASS, As Amended and Coauthored.

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