

ENGROSSED HOUSE
BILL NO. 1393

BY: HAMILTON (Jeff) of the
HOUSE

and

WEEDN of the SENATE

(MOTOR VEHICLES - AMENDING 47 O.S., SECTION

1143.1 - OKLAHOMA MOTOR LICENSE AGENT INDEMNITY

FUND -

EMERGENCY)

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

SECTION 1. AMENDATORY Section 3, Chapter 158, O.S.L.
1987 (47 O.S. Supp. 1990, Section 1143.1), is amended to read as
follows:

Section 1143.1 A. There is hereby created the Oklahoma Motor License Agent Indemnity Fund. The fund shall be established to ensure that the Oklahoma Tax Commission recovers tax revenue not remitted to the Commission because of negligence, malfeasance or fraud by a motor license agent. The Office of Public Affairs shall administer the fund. Upon final determination by the Oklahoma Tax Commission of a tax revenue shortage or liability of a motor license agent whose agency has been closed, a claim in the amount of such liability may be made by the Commission against the fund. The claim shall be paid out of the fund by the Office of Public Affairs. At least sixty (60) days' written notice shall be given to the delinquent motor license agent before any such claim is paid. The Office of Public Affairs shall have the power to seek restitution to

the fund from any motor license agent whose liability was paid out of the fund. The monies in the fund shall be invested by the State Treasurer and the interest shall be deposited in the fund.

B. The Each fiscal year, the Office of Public Affairs shall collect and deposit into the fund an annual assessment from all motor license agencies that have been operating for a period of not less than one (1) year. Such assessments shall be payable by each motor license agency on a quarterly basis. The amount on which the assessment shall be based shall be determined annually for each motor license agency by the Oklahoma Tax Commission by dividing the volume of tax monies collected annually each fiscal year by the agency by the number of reporting periods required by the Commission. Each motor license agency which has been in operation for more than five (5) years and subject to the assessment pursuant to this subsection shall pay ~~an annual~~ such assessment as follows:

1. When the fund contains less than Five Hundred Thousand Dollars (\$500,000.00) on June 30 of any year, the assessment shall be ~~two percent (2%)~~ one percent (1%) of the amount determined for the motor license agency by the Oklahoma Tax Commission; ~~and~~

2. When the fund contains Five Hundred Thousand Dollars (\$500,000.00) or more, but less than Seven Hundred Fifty Thousand Dollars (\$750,000.00) on June 30 of any year, the assessment shall be ~~one percent (1%)~~ one-half (1/2) of one percent (1%) of the amount determined for the motor license agency by the Oklahoma Tax Commission-;

3. When the fund contains Seven Hundred Fifty Thousand Dollars (\$750,000.00) or more, on June 30 of any year, the assessment shall be one-fourth (1/4) of one percent (1%) of the amount determined for the motor license agency by the Oklahoma Tax Commission; and

4. When the fund contains One Million Dollars (\$1,000,000.00), on June 30 of any year, the Oklahoma Tax Commission may further reduce the amount or suspend the assessment if the Commission

determines that the fund is fiscally sound and meets the needs for which the fund is established.

Assessments shall be paid ~~not later than~~ in quarterly amounts and due on September 30, December 30, March 30 and June 30 of each year. Such payments shall be deemed delinquent after October 15, January 15, April 15 and July 15 of each year. Motor license agents who are delinquent in remitting any such quarterly payment for their operating agencies in excess of fifteen (15) days after the date of the delinquency shall be subject to dismissal.

No assessment shall exceed One Thousand Two Hundred Dollars (\$1,200.00).

C. ~~Beginning July 1, 1987, and until the fund contains Two Hundred Thousand Dollars (\$200,000.00), motor license agents shall continue to obtain a surety bond or cash bond as required by law and shall pay an assessment equal to one percent (1%) of their bond to the Office of Public Affairs for deposit into the fund. If a motor license agent's bond is canceled during this period for any reason other than negligence, malfeasance or fraud, the motor license agent shall make both payments into the fund~~ Motor license agencies which have been in operation for less than five (5) years but more than one (1) year shall pay the annual assessment in an amount equal to one percent (1%) of the amount determined for such motor license agencies by the Oklahoma Tax Commission, on a quarterly basis, as specified in subsection B of this section until they reach the end of their fifth year of operation.

SECTION 2. This act shall become effective July 1, 1991.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 12th day of March, 1991.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1991.

President of the Senate