

ENGROSSED HOUSE
BILL NO. 2180

BY: PAULK, NIEMI and
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AN ACT RELATING TO WORKERS' COMPENSATION; AMENDING 85
O.S. 1991, SECTION 63.1, WHICH RELATES TO PENALTIES
FOR FAILURE TO SECURE WORKERS' COMPENSATION
INSURANCE; PROVIDING FOR CEASE AND DESIST ORDERS;
PROVIDING FOR ENFORCEMENT OF CEASE AND DESIST
ORDERS IN DISTRICT COURT; LIMITING HOSPITAL AND
HEALTH PROVIDER CHARGES FOR WORKERS' COMPENSATION
CLAIMS; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. AMENDATORY 85 O.S. 1991, Section 63.1, is
amended to read as follows:

Section 63.1 A. In addition to any other penalty prescribed by
law, any employer who fails to secure compensation required by
Section 61 of ~~Title 85 of the Oklahoma Statutes~~ this title shall be
liable for a civil penalty, to be assessed by the Commissioner of
Labor or his designee, of not more than Two Hundred Fifty Dollars
(\$250.00) per employee for a first offense, and liable to a civil
penalty of not more than Five Hundred Dollars (\$500.00) per employee
for a second or subsequent offense. Provided, the maximum civil
penalty shall not exceed Ten Thousand Dollars (\$10,000.00) for all
related series of violations. All civil penalties collected shall
be deposited in the "Workers' Compensation Enforcement Revolving

Fund" created by this section and shall be used to enforce the provisions of the Workers' Compensation Act.

B. After an employer is cited for two offenses of failing to obtain workers' compensation insurance, the Commissioner of Labor shall have the authority to issue cease and desist orders, in accordance with the Department of Labor administrative rules and procedures, against employers who continue to fail or refuse to obtain workers' compensation insurance as required by law. The Commissioner of Labor shall have the authority to require the cessation of activities of an employer whose employees are not covered by workers' compensation insurance until the violating employer shall obtain workers' compensation insurance for its employees; provided that an employer who has made application for workers' compensation coverage with either the State Insurance Fund or a private insurance carrier, and who, through no fault of his own, has not received notice that such coverage has commenced, shall not be made to cease operations, as provided for in this section, until a determination has been made concerning his application for workers' compensation coverage. Any order to cease and desist issued by the Commissioner may be enforced in district court. The district court may issue the Commissioner an injunction without bond, for the purposes of enforcing this section.

C. The Commissioner of Labor or his designee shall assess and collect any civil penalty incurred under subsection A of this section and, in his discretion, may remit, mitigate or negotiate said penalty. In determining the amount of the penalty to be assessed, or the amount agreed upon in any negotiation, consideration shall be given to the appropriateness of such penalty in light of the life of the business of the employer charged, the gravity of the violation, and the extent to which the employer charged has complied with the provisions of Section 61 of ~~Title 85 of the Oklahoma Statutes~~ this title or has otherwise attempted to

remedy the consequences of the said violation. Individual proceedings shall be conducted pursuant to the provisions of Section ~~21~~ 63.2 of this ~~act~~ title.

C. D. There is hereby created in the State Treasury a revolving fund for the Department of Labor to be designated the "Workers' Compensation Enforcement Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies collected by the Department pursuant to the provisions of this section. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

E. No hospital or health provider shall charge more for a workers' compensation claim than for the same service not involving workers' compensation.

SECTION 2. This act shall become effective September 1, 1992.

Passed the House of Representatives the 12th day of March, 1992.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1992.

President of the Senate