

ENROLLED SENATE  
BILL NO. 127

BY: TAYLOR and HANEY of the  
SENATE

and

HAMILTON (James), STEIDLEY  
and GLOVER of the HOUSE

AN ACT RELATING TO THE OKLAHOMA TAX COMMISSION AND REVENUE AND TAXATION; MAKING APPROPRIATIONS AND REAPPROPRIATIONS THERETO; STATING PURPOSES; REQUIRING TAX COMMISSION TO PAY CERTAIN AMOUNT TO THE OFFICE OF THE STATE AUDITOR AND INSPECTOR FOR CERTAIN PURPOSE; STATING CERTAIN DUTIES OF STATE AUDITOR AND INSPECTOR; PROHIBITING DISBURSEMENT OF CERTAIN MONIES TO COUNTIES NOT IN COMPLIANCE WITH CERTAIN MANDATED ASSESSMENT REQUIREMENTS; AMENDING SECTION 111, CHAPTER 264, O.S.L. 1990, WHICH RELATES TO APPROPRIATIONS; MODIFYING BUDGETARY LIMITATION; AMENDING SECTION 13, CHAPTER 345, O.S.L. 1985, AS AMENDED BY SECTION 13, CHAPTER 269, O.S.L. 1986 AND 68 O.S. 1981, SECTION 2352, AS LAST AMENDED BY SECTION 78, CHAPTER 258, O.S.L. 1990 (68 O.S. SUPP. 1990, SECTIONS 260 AND 2352), WHICH RELATE TO SPECIAL TAX ENFORCEMENT UNIT; MODIFYING STAFFING OF SPECIAL TAX ENFORCEMENT UNIT; REQUIRING TAX COMMISSION GENERAL COUNSEL TO NOTIFY APPROPRIATE DISTRICT ATTORNEY OF VIOLATIONS OF STATE TAX LAWS; DELETING LANGUAGE AUTHORIZING TAX COMMISSION TO EXPEND CERTAIN FUNDS AND TAKE CERTAIN ACTIONS; MODIFYING CERTAIN DATES; MODIFYING AMOUNT OF CERTAIN MONIES TO BE TRANSFERRED TO CERTAIN FUNDS; PROVIDING A LAPSE DATE; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

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

SECTION 1. There is hereby appropriated to the Oklahoma Tax Commission from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1992, the following amount or so much thereof as may be necessary to perform the duties imposed upon the Oklahoma Tax Commission by law:

Personal Services	\$34,169,493.00
Other Operating Expenses	<u>10,379,355.00</u>

TOTAL	\$44,548,848.00
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SECTION 2. From the appropriation made in Section 1 of this act, the Oklahoma Tax Commission shall pay an amount not to exceed One Hundred Fifty-eight Thousand Six Hundred Fifty Dollars (\$158,650.00) for the personal services and other operating expenses

of the Office of the State Auditor and Inspector in performing audits of the Oklahoma Tax Commission and motor license agents as required by law. Personnel performing the audits shall be subject to the administrative control of the State Auditor and Inspector, who shall make all appointments and shall fix the salaries of said employees as are necessary in the performance of the audits.

SECTION 3. There is hereby appropriated to the Oklahoma Tax Commission from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1991, the sum of One Hundred Thousand Dollars (\$100,000.00) or so much thereof as may be necessary to improve the revenue estimating system of the State of Oklahoma.

SECTION 4. There is hereby appropriated to the Oklahoma Tax Commission for transfer to the Fund for Reimbursement of Counties from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1992, the sum of Six Hundred Forty-seven Thousand Five Hundred Forty-three Dollars (\$647,543.00) or so much thereof as may be necessary to reimburse the counties for revenue lost because of the homestead exemption provided for by Section 2407.1 of Title 68 of the Oklahoma Statutes. No monies shall be disbursed to any county that is not in compliance with the assessment requirements mandated by the Supreme Court of the State of Oklahoma in State ex rel. Poulos v. State Board of Equalization, 646 P.2d 1269, 1273 (Okla. 1982).

SECTION 5. REAPPROPRIATION The amount of One Hundred Thousand Dollars (\$100,000.00) appropriated to the Oklahoma Tax Commission by Section 109, Chapter 264, O.S.L. 1990, from any monies in the General Revenue Fund of the State Treasury, for the fiscal year ending June 30, 1991, not otherwise appropriated for personal services is hereby continued and reappropriated for the original purpose, as adjusted by transfer, less the amounts that have been expended on the effective date of this act.

SECTION 6. REAPPROPRIATION AND REDESIGNATION The amount of One Hundred Thirty-six Thousand Dollars (\$136,000.00) appropriated to the Tax Commission by Section 110, Chapter 264, O.S.L. 1990, from any monies in the Special Cash Fund of the State Treasury, for the fiscal year ending June 30, 1991, not otherwise appropriated, for the purchase of equipment for the Commercial Drivers License Program, is hereby reappropriated and redesignated for the duties imposed upon the Oklahoma Tax Commission by law.

SECTION 7. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma Tax Commission by law shall be set by the Oklahoma Tax Commission. The Oklahoma Tax Commission for the fiscal year ending June 30, 1992, shall be subject to the following budgetary limitations on full-time-equivalent employees and expenditures excluding expenditures for capital and special projects, except as may be authorized pursuant to the provisions of Section 3603 of Title 74 of the Oklahoma Statutes:

<u>Budgetary Limitation</u>	<u>Amount</u>
Average Full-time-equivalent Employees	1,315.0
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	\$33,553,036.00
Professional and Personal Services Contracts	\$2,901,700.00
Lease-Purchase Payments	\$1,972,000.00

Purchase of Equipment	\$4,233,505.00
Revolving Fund Expenditures	\$27,085,562.00
Total Expenditures for Operations	\$65,892,926.00

SECTION 8. AMENDATORY Section 111, Chapter 264, O.S.L. 1990, is amended to read as follows:

Section 111. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma Tax Commission by law shall be set by the Oklahoma Tax Commission. The Oklahoma Tax Commission for the fiscal year ending June 30, 1991, shall be subject to the following budgetary limitations on full-time-equivalent employees and expenditures excluding expenditures for capital and special projects, except as may be authorized pursuant to the provisions of Section 3603 of Title 74 of the Oklahoma Statutes:

<u>Budgetary Limitation</u>	<u>Amount</u>
Average Full-time-equivalent Employees	1,372.0
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes \$32,999,000.00	
Professional and Personal Services Contracts	\$2,901,700.00
Purchase of Equipment	\$4,233,505.00
Lease Purchase Payments	\$1,972,000.00
Total Expenditures for Operations	<del>\$64,992,926.00</del> <u>\$65,892,926.00</u>

SECTION 9. AMENDATORY Section 13, Chapter 345, O.S.L. 1985, as amended by Section 13, Chapter 269, O.S.L. 1986 (68 O.S. Supp. 1990, Section 260), is amended to read as follows:

Section 260. A. For the purpose of insuring that taxes due and owing to the State of Oklahoma are collected, the Oklahoma Tax Commission is hereby directed to create a special tax enforcement unit, within the Commission, whose sole function shall be to determine compliance with state tax laws and to enforce such laws. The duties of the special tax enforcement unit shall include but not be limited to the investigation for and initiation of criminal action for violations of state tax laws.

B. The special tax enforcement unit shall be ~~composed~~ staffed at a level and in such form as may be determined by the Commission of not less than twenty (20) nor more than thirty (30) twenty-five (25) employees as the Commission may determine, including an assistant general counsel, auditors, attorneys, and clerical personnel.

~~No member of the special tax enforcement unit except attorneys shall be assigned or perform any duties not specifically related to the duties of said special unit.~~

C. ~~The Assistant General Counsel shall notify the General Counsel of the Oklahoma Tax Commission and shall notify the appropriate district attorney of violations of state tax laws. Upon receipt of such information, the~~ The General Counsel or the district attorney may initiate criminal actions for violations of the tax

laws of this state in the district court of the county in which the defendant resides or maintains a place of business. The attorneys for the Tax Commission may prosecute such criminal actions, or may, upon the request of the district attorney, appear and assist in the prosecution of such actions initiated by the district attorney.

~~D. The Tax Commission is authorized to expend necessary available funds to publicly advertise the activities and duties of the special tax enforcement unit.~~

~~E.~~ The Tax Commission shall submit a report to the Legislature before January 31 of each year detailing the activities of the special tax enforcement unit. Said report shall include, but is not limited to, the amount of total delinquent taxes collected.

SECTION 10. AMENDATORY 68 O.S. 1981, Section 2352, as last amended by Section 78, Chapter 258, O.S.L. 1990 (68 O.S. Supp. 1990, Section 2352), is amended to read as follows:

Section 2352. It is hereby declared to be the purpose of this article to provide revenue for general governmental functions of state government; and, for that purpose and to that end, it is expressly declared that the revenue derived herefrom and penalties and interest thereon, shall be distributed as follows:

1. Ninety-nine percent (99%) of all such monies shall be apportioned monthly to the General Revenue Fund of the state for such fiscal year for the support of the state government to be paid out only pursuant to appropriation by the Legislature;

2. One percent (1%) of such monies shall be placed to the credit of the Ad Valorem Reimbursement Fund. In the fiscal year ending June 30, ~~1991~~ 1992, the Director of State Finance shall transfer monthly the monies deposited to the Ad Valorem Reimbursement Fund to the Fund for Reimbursement of Counties created in Section 192.1 of Title 62 of the Oklahoma Statutes until the sum of said transfers equals ~~One Million Five Hundred Thousand Dollars (\$1,500,000.00)~~ and subsequently shall transfer monthly the monies deposited to the Ad Valorem Reimbursement Fund to the General Revenue Fund of the State Treasury until the sum of said transfers equals ~~Four Hundred Twenty-one Thousand Fifty-three Dollars (\$421,053.00)~~ One Million Dollars (\$1,000,000.00). In the fiscal year ending June 30, ~~1990~~ 1991, the Director of State Finance shall transfer the sum of ~~Four Million Eight Hundred Thousand Dollars (\$4,800,000.00)~~ Two Million Five Hundred Thousand Dollars (\$2,500,000.00) from the Ad Valorem Reimbursement Fund to the Special Cash Fund of the State Treasury.

SECTION 11. The appropriations made by Sections 1, 3 and 4 of this act and the reappropriations made by Sections 5 and 6 of this act shall be subject to fiscal year limitations and may be encumbered through June 30, 1992. Any unexpended funds remaining after November 15, 1992, shall lapse and be transferred to the credit of the proper fund for the then current fiscal year.

SECTION 12. Sections 1, 2, 3, 4, 5, 6, 7, 9 and 11 of this act shall become effective July 1, 1991.

SECTION 13. 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 Senate the 21st day of May, 1991.

President of the Senate

Passed the House of Representatives the 22d day of May, 1991.

Speaker of the House of  
Representatives