STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

HOUSE BILL NO. 1393 BY: HAMILTON (Jeff)

AS INTRODUCED

AN ACT RELATING TO MOTOR VEHICLES; AMENDING SECTION 3, CHAPTER 158, O.S.L. 1987 (47 O.S. SUPP. 1990, SECTION 1143.1), WHICH RELATES TO THE OKLAHOMA MOTOR LICENSE AGENT INDEMNITY FUND; REQUIRING CERTAIN NOTICE PRIOR TO THE PAYMENT OF CERTAIN CLAIMS FROM FUND; AUTHORIZING THE OFFICE OF PUBLIC AFFAIRS TO SEEK RESTITUTION FOR CERTAIN PAYMENTS OUT OF FUND; MODIFYING CERTAIN ASSESSMENT PROCEDURE RELATING TO THE FUND; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN 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~~ quarterly assessments from all motor license agencies that have been operating for a period of not less than one (1) year. The amount on which the ~~assessment~~ assessments 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 ~~assessment~~ the quarterly assessments pursuant to this subsection shall pay ~~an annual assessment~~ such assessments as follows:

1. When the fund contains less than Five Hundred Thousand Dollars ($500,000.00) on June 30 of any year, the ~~assessment~~ assessments 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~~ assessments 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 assessments 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~~ due on September 30, December 30, March 30 and June 30 of each year and 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 assessments 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 quarterly assessments in an amount equal to one percent (1%) of the appropriate amount of monies in the fund

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.

43-1-5456 DDL