

1 ENGROSSED HOUSE AMENDMENT  
TO  
2 ENGROSSED SENATE BILL NO. 1533 By: Leftwich of the Senate  
3 and  
4 Watson of the House  
5  
6

7 ( labor - Oklahoma Unemployment Insurance Trust Fund  
8 Security Act of 2008 - codification -  
9 noncodification -  
10 effective date )  
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13 AMENDMENT NO. 1. Strike the stricken title, enacting clause and  
14 entire bill and insert

15 "( labor - Oklahoma Unemployment Insurance Trust Fund  
16 Security Act of 2008 - administrative fund  
17 assessment rate reductions - OESC Administrative  
18 Fund - Unemployment Trust Fund - codification -  
19 effective date )  
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22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

23 SECTION 1. NEW LAW A new section of law not to be  
24 codified in the Oklahoma Statutes reads as follows:

1 Sections 1 through 7 of this act shall be known and may be cited  
2 as the "Oklahoma Unemployment Insurance Trust Fund Security Act of  
3 2008".

4 SECTION 2. NEW LAW A new section of law not to be  
5 codified in the Oklahoma Statutes reads as follows:

6 The State of Oklahoma finds that the programs administered by  
7 the Oklahoma Employment Security Commission are necessary for the  
8 economic well-being of workers and employers in Oklahoma. Due to  
9 recent funding shortfalls by the federal government, the  
10 effectiveness and integrity of the Oklahoma Employment Security  
11 Commission programs are being compromised, and this will in turn  
12 have a negative impact on Oklahoma's Unemployment Trust Fund. If  
13 the balance of the Unemployment Trust Fund is reduced by large  
14 layoffs, fraud and abuse, or a failure to reemploy laid-off workers  
15 as quickly as possible, all Oklahoma workers and employers will be  
16 financially impacted. If the balance of the Unemployment Trust Fund  
17 falls, benefits to laid-off workers will be reduced and taxes to  
18 employers will be increased.

19 In order to avoid these adverse consequences, it is the  
20 intention of the State of Oklahoma that programs should be put in  
21 place and maintained that will use reemployment services to reduce  
22 the duration of unemployment claims when they occur, and combat  
23 fraud and abuse of the system. This will have the effect of  
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1 increasing Oklahoma's economic competitiveness with other states and  
2 modernize the unemployment insurance system.

3 SECTION 3. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 3-109.3 of Title 40, unless  
5 there is created a duplication in numbering, reads as follows:

6 Notwithstanding the provisions of Sections 3-103, 3-109, 3-110  
7 and 3-113 of Title 40 of the Oklahoma Statutes, for any tax year  
8 beginning after December 31, 2010, the contribution rate assigned to  
9 an employer shall be reduced by six percent (6%). Provided, the tax  
10 rate of employers assigned a tax rate pursuant to Sections 3-103 and  
11 3-110 of Title 40 of the Oklahoma Statutes shall not be reduced to  
12 less than one percent (1%). Provided further, employers who qualify  
13 for an earned rate calculated pursuant to Section 3-109 of Title 40  
14 of the Oklahoma Statutes, and are given the highest rate in the rate  
15 scale, shall not be eligible for the rate reduction provided for in  
16 this section.

17 SECTION 4. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 6-201 of Title 40, unless there  
19 is created a duplication in numbering, reads as follows:

20 A. There is hereby created in the State Treasury a revolving  
21 fund for the Oklahoma Employment Security Commission to be  
22 designated the "OESC Administrative Fund". The OESC Administrative  
23 Fund shall be separate and distinct from the Unemployment  
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1 Compensation Fund, and all other special funds, and shall consist  
2 of:

3 1. All monies received from employers and paid pursuant to  
4 Section 7 of this act;

5 2. All other sums, from whatever source, received by the  
6 Commission and paid into the OESC Administrative Fund; and

7 3. Property and securities acquired by and through the use of  
8 monies in the OESC Administrative Fund.

9 B. The OESC Administrative Fund shall be a continuing fund, not  
10 subject to fiscal year limitations. All monies accruing to the  
11 credit of the OESC Administrative Fund are hereby appropriated and  
12 shall be budgeted and expended for the purposes set forth in Section  
13 5 of this act. Expenditures from the OESC Administrative Fund shall  
14 be made upon warrants issued by the State Treasurer against claims  
15 filed, as prescribed by law, with the Director of State Finance for  
16 approval and payment.

17 SECTION 5. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 6-202 of Title 40, unless there  
19 is created a duplication in numbering, reads as follows:

20 A. Subject to the limitations set out in subsection B of this  
21 section, the monies in the OESC Administrative Fund shall only be  
22 used to pay any expenses incurred by the Oklahoma Employment  
23 Security Commission in the administration of any program or service  
24 under the control of the Oklahoma Employment Security Commission.

1 B. 1. The Oklahoma Employment Security Commission may withdraw  
2 a maximum of Ten Million Dollars (\$10,000,000.00) per calendar year  
3 from the OESC Administrative Fund for administrative expenses  
4 described in subsection A of this section.

5 2. Any money remaining in the fund, after the maximum amount  
6 has been withdrawn or transferred under paragraph 1 of this  
7 subsection, shall be held in the fund for use in a future year or  
8 deposited in the Unemployment Trust Fund pursuant to the provisions  
9 of Section 7 of this act.

10 SECTION 6. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 6-203 of Title 40, unless there  
12 is created a duplication in numbering, reads as follows:

13 A. The State Treasurer shall be the custodian and treasurer of  
14 the OESC Administrative Fund.

15 B. The State Treasurer shall deposit the monies belonging to  
16 the OESC Administrative Fund that are in his or her custody, subject  
17 to the provisions of Sections 5 and 7 of this act.

18 C. The State Treasurer, as custodian of the OESC Administrative  
19 Fund, shall hold, invest, transfer, sell, deposit and release those  
20 monies, properties or securities in a manner approved by the  
21 Oklahoma Employment Security Commission. Provided, however, that  
22 those monies shall be invested in the classes of securities legal  
23 for investment of public monies of this state. Provided further,  
24 the investment shall at all times be so made that all assets of the

1 OESC Administrative Fund shall always be readily convertible into  
2 cash when needed for any expenditure authorized in Section 5 of this  
3 act.

4 SECTION 7. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 6-204 of Title 40, unless there  
6 is created a duplication in numbering, reads as follows:

7 A. 1. For any tax year beginning after December 31, 2010, each  
8 employer subject to the provisions of Sections 3-103, 3-109 and 3-  
9 110 of Title 40 of the Oklahoma Statutes shall be required to pay an  
10 OESC Administrative Fund assessment equal to six percent (6%) of the  
11 unemployment contributions that would be owed to the Oklahoma  
12 Employment Security Commission before any rate reduction is made  
13 pursuant to Section 3 of this act. This assessment shall be in  
14 addition to any contribution which that employer is required to make  
15 pursuant to the provisions of the Employment Security Act of 1980.

16 2. The assessment provided for in this section shall not be  
17 considered part of any contribution required of an individual  
18 employer pursuant to the Employment Security Act of 1980, nor shall  
19 it be considered for purposes of determining the individual  
20 employer's contribution rate.

21 B. Employers assigned a tax rate pursuant to Sections 3-103 and  
22 3-110 of Title 40 of the Oklahoma Statutes shall pay an OESC  
23 Administrative Fund assessment equal to the rate reduction granted  
24 them pursuant to Section 3 of this act.

1 C. Employers who qualify for an earned rate calculated pursuant  
2 to Section 3-109 of Title 40 of the Oklahoma Statutes, and are given  
3 the highest rate in the rate scale, shall be exempt from the  
4 provisions of this section.

5 D. Employers making payments in lieu of contributions pursuant  
6 to Sections 3-702, 3-705 and 3-806 of Title 40 of the Oklahoma  
7 Statutes shall be exempt from the provisions of this section.

8 E. The assessment shall be made and collected by the Oklahoma  
9 Employment Security Commission for deposit, on a quarterly basis, to  
10 the credit of the OESC Administrative Fund. Provided, all monies  
11 received by the Oklahoma Employment Security Commission for the  
12 account of the OESC Administrative Fund, upon receipt, shall be  
13 deposited in a clearance account in a financial institution located  
14 in this state.

15 F. On December 31 of each year, the Chief Financial Officer of  
16 the Oklahoma Employment Security Commission will certify the balance  
17 in the OESC Administrative Fund. If the balance of the fund is more  
18 than Fifteen Million Dollars (\$15,000,000.00), the Chief Financial  
19 Officer shall further certify the amount over that sum as excess  
20 funds. The Chief Financial Officer will transfer the certified  
21 amount of excess funds to the Unemployment Trust Fund for the State  
22 of Oklahoma. The transfer will occur in one payment on or before  
23 January 15, following a certification that excess funds as defined  
24 in this subsection exist.

1 G. The Oklahoma Employment Security Commission shall promulgate  
2 such rules as may be necessary to implement the provisions of the  
3 Oklahoma Unemployment Insurance Trust Fund Security Act of 2008.

4 SECTION 8. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 6-205 of Title 40, unless there  
6 is created a duplication in numbering, reads as follows:

7 The Oklahoma Employment Security Commission shall adopt and  
8 implement an agency-wide performance improvement program. The  
9 performance improvement program will ensure that all agency  
10 operations are utilizing technological and personnel resources in  
11 the most effective and efficient manner and that the needs of  
12 Oklahoma employers and persons using the Unemployment Benefit  
13 Program and the Employment Service are being met. The Oklahoma  
14 Employment Security Commission will develop an implementation plan  
15 that will identify performance improvement program methodologies and  
16 action steps for the program. The implementation plan will be in  
17 writing and submitted for a one-time approval to the Commissioners  
18 of the Oklahoma Employment Security Commission and the Secretary of  
19 Commerce and Tourism. The approval of the implementation plan shall  
20 be in writing. When the implementation plan is approved, the  
21 Oklahoma Employment Security Commission will be authorized to access  
22 and expend funds from the OESC Administration Fund that is created  
23 by this act. The Oklahoma Employment Security Commission shall  
24 submit semiannual reports of measurable goals and action plan

1 progress, including verifiable program improvement, to the  
2 Commissioners of the Oklahoma Employment Security Commission and the  
3 Secretary of Commerce and Tourism. The first semiannual report will  
4 be due on January 1, 2009.

5 SECTION 9. This act shall become effective November 1, 2008."

6 Passed the House of Representatives the 24th day of April, 2008.

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Presiding Officer of the House of  
Representatives

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Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2008.

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Presiding Officer of the Senate

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