

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 1638

By: Banz

6  
7 COMMITTEE SUBSTITUTE

8 ( public retirement system - Oklahoma Public Pension  
9 Military Service Crediting Act of 2007 - crediting  
10 of military service - Military Service Credit  
11 Contribution Payment Fund -sales tax apportionment  
12 - codification - noncodification - effective date -  
13  
14 emergency )

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17  
18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

21 This act shall be known and may be cited as the "Oklahoma Public  
22 Pension Military Service Crediting Act of 2007".  
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1           SECTION 2.           NEW LAW           A new section of law to be codified  
2 in the Oklahoma Statutes as Section 49-138A of Title 11, unless  
3 there is created a duplication in numbering, reads as follows:

4           A.    As used in this section, "eligible military service" means  
5 a period of time during which the member of the retirement system is  
6 absent from employment either on leave without pay status or having  
7 exhausted all applicable forms of vacation, annual leave or other  
8 leave authorized by the employer, and not receiving compensation  
9 from the employer because of orders issued from a branch of the  
10 United States Armed Forces or from the Oklahoma National Guard,  
11 mobilizing or deploying the member, in a manner that requires the  
12 member to be absent from employment with a participating employer.  
13 "Eligible military service" shall be exclusive of periods of time  
14 the member is absent solely for education, for the purpose of  
15 professional military education, military rank or military grade  
16 progression, or for initial military entrance training, whether as  
17 an enlisted person or a commissioned officer.

18           B.   Notwithstanding any other provision of law to the contrary,  
19 for eligible military service performed by a member on or after the  
20 effective date of this act, a member shall receive service credit  
21 for any period of time during which the member performed the  
22 eligible military service.

23           C.   For periods of eligible military service the employee  
24 contributions applicable to the period of such service shall be paid

1 from the Military Service Credit Contribution Payment Fund created  
2 pursuant to Section 5 of this act. Employee contributions shall be  
3 paid to the System for the entire period during which the absent  
4 member was mobilized or deployed pursuant to valid orders from the  
5 military authority responsible for military service of the branch of  
6 the United States Armed Forces in which the absent member was either  
7 an enlisted member or an officer.

8 D. The System may prescribe rules for the documentation of the  
9 authenticity of such orders and for documentation of the period of  
10 service for which the service credit authorized by this subsection  
11 is provided.

12 E. Employee contributions shall be made at the applicable rate  
13 for the period of the absence using the member's salary during the  
14 last period the member was actively performing the job duties  
15 associated with membership in the System or the salary in effect  
16 during the last month the member was employed, but during which the  
17 member was using applicable annual or other leave and for which the  
18 member was paid the member's full salary, whichever salary amount is  
19 greater.

20 F. The payment to the System shall be made within thirty (30)  
21 days of the date the member returns to active and paid employment  
22 with the participating employer and requests the service credit  
23 authorized by this section.

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1 G. The maximum period of service credit authorized by this  
2 section shall be five (5) years.

3 SECTION 3. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 50-128A of Title 11, unless  
5 there is created a duplication in numbering, reads as follows:

6 A. As used in this section, "eligible military service" means  
7 a period of time during which the member of the retirement system is  
8 absent from employment either on leave without pay status or having  
9 exhausted all applicable forms of vacation, annual leave or other  
10 leave authorized by the employer, and not receiving compensation  
11 from the employer because of orders issued from a branch of the  
12 United States Armed Forces or from the Oklahoma National Guard,  
13 mobilizing or deploying the member, in a manner that requires the  
14 member to be absent from employment with a participating employer.  
15 "Eligible military service" shall be exclusive of periods of time  
16 the member is absent solely for education, for the purpose of  
17 professional military education, military rank or military grade  
18 progression, or for initial military entrance training, whether as  
19 an enlisted person or a commissioned officer.

20 B. Notwithstanding any other provision of law to the contrary,  
21 for eligible military service performed by a member on or after the  
22 effective date of this act, a member shall receive service credit  
23 for any period of time during which the member performed the  
24 eligible military service.

1 C. For periods of eligible military service the employee  
2 contributions applicable to the period of such service shall be paid  
3 from the Military Service Credit Contribution Payment Fund created  
4 pursuant to Section 5 of this act. Employee contributions shall be  
5 paid to the System for the entire period during which the absent  
6 member was mobilized or deployed pursuant to valid orders from the  
7 military authority responsible for military service of the branch of  
8 the United States Armed Forces in which the absent member was either  
9 an enlisted member or an officer.

10 D. The System may prescribe rules for the documentation of the  
11 authenticity of such orders and for documentation of the period of  
12 service for which the service credit authorized by this subsection  
13 is provided.

14 E. Employee contributions shall be made at the applicable rate  
15 for the period of the absence using the member's salary during the  
16 last period the member was actively performing the job duties  
17 associated with membership in the System or the salary in effect  
18 during the last month the member was employed, but during which the  
19 member was using applicable annual or other leave and for which the  
20 member was paid the member's full salary, whichever salary amount is  
21 greater.

22 F. The payment to the System shall be made within thirty (30)  
23 days of the date the member returns to active and paid employment  
24

1 with the participating employer and requests the service credit  
2 authorized by this section.

3 G. The maximum period of service credit authorized by this  
4 section shall be five (5) years.

5 SECTION 4. NEW LAW A new section of law to be codified  
6 in the Oklahoma Statutes as Section 2-307.4A of Title 47, unless  
7 there is created a duplication in numbering, reads as follows:

8 A. As used in this section, "eligible military service" means  
9 a period of time during which the member of the retirement system is  
10 absent from employment either on leave without pay status or having  
11 exhausted all applicable forms of vacation, annual leave or other  
12 leave authorized by the employer, and not receiving compensation  
13 from the employer because of orders issued from a branch of the  
14 United States Armed Forces or from the Oklahoma National Guard,  
15 mobilizing or deploying the member, in a manner that requires the  
16 member to be absent from employment with a participating employer.  
17 "Eligible military service" shall be exclusive of periods of time  
18 the member is absent solely for education, for the purpose of  
19 professional military education, military rank or military grade  
20 progression, or for initial military entrance training, whether as  
21 an enlisted person or a commissioned officer.

22 B. Notwithstanding any other provision of law to the contrary,  
23 for eligible military service performed by a member on or after the  
24 effective date of this act, a member shall receive service credit

1 for any period of time during which the member performed the  
2 eligible military service.

3 C. For periods of eligible military service the employee  
4 contributions applicable to the period of such service shall be paid  
5 from the Military Service Credit Contribution Payment Fund created  
6 pursuant to Section 5 of this act. Employee contributions shall be  
7 paid to the System for the entire period during which the absent  
8 member was mobilized or deployed pursuant to valid orders from the  
9 military authority responsible for military service of the branch of  
10 the United States Armed Forces in which the absent member was either  
11 an enlisted member or an officer.

12 D. The System may prescribe rules for the documentation of the  
13 authenticity of such orders and for documentation of the period of  
14 service for which the service credit authorized by this subsection  
15 is provided.

16 E. Employee contributions shall be made at the applicable rate  
17 for the period of the absence using the member's salary during the  
18 last period the member was actively performing the job duties  
19 associated with membership in the System or the salary in effect  
20 during the last month the member was employed, but during which the  
21 member was using applicable annual or other leave and for which the  
22 member was paid the member's full salary, whichever salary amount is  
23 greater.

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1 F. The payment to the System shall be made within thirty (30)  
2 days of the date the member returns to active and paid employment  
3 with the participating employer and requests the service credit  
4 authorized by this section.

5 G. The maximum period of service credit authorized by this  
6 section shall be five (5) years.

7 SECTION 5. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 1005 of Title 62, unless there  
9 is created a duplication in numbering, reads as follows:

10 A. There is hereby created in the State Treasury the "Military  
11 Service Credit Contribution Payment Fund". The fund shall be  
12 subject to legislative appropriations and shall consist of all  
13 monies appropriated or dedicated to the fund as provided by law.

14 B. The fund shall be used for purposes of making employee  
15 contributions for members of the Oklahoma Firefighters Pension and  
16 Retirement System, the Oklahoma Police Pension and Retirement  
17 System, and the Oklahoma Law Enforcement Retirement System in  
18 accordance with the requirements of law providing for payment of  
19 such contributions for periods of qualifying military service.

20 C. Payments from the fund shall be made in the manner provided  
21 by law for expenditures of other public funds upon warrants issued  
22 by the State Treasurer.

23 SECTION 6. AMENDATORY 68 O.S. 2001, Section 1353, as  
24 last amended by Section 17, Chapter 44, 2nd Extraordinary Session,

1 O.S.L. 2006 (68 O.S. Supp. 2006, Section 1353), is amended to read  
2 as follows:

3 Section 1353. Purpose of Article - Apportionment of Revenues.

4 It is hereby declared to be the purpose of the Oklahoma Sales  
5 Tax Code to provide funds for the financing of the program provided  
6 for by the Oklahoma Social Security Act and to provide revenues for  
7 the support of the functions of the state government of Oklahoma,  
8 and for this purpose it is hereby expressly provided that, revenues  
9 derived pursuant to the provisions of the Oklahoma Sales Tax Code  
10 shall be apportioned as follows:

11 1. The following amounts shall be paid to the State Treasurer  
12 to be placed to the credit of the General Revenue Fund to be paid  
13 out pursuant to direct appropriation by the Legislature:

14 a. for the:

15 (1) fiscal year ending June 30, 2008, the first Two  
16 Hundred Seventy-five Thousand Dollars

17 (\$275,000.00) shall be apportioned to the  
18 Military Service Credit Contribution Payment  
19 Fund created pursuant to Section 5 of this act,

20 (2) fiscal year ending June 30, 2009, and for each  
21 fiscal year thereafter, there shall be

22 apportioned to the Military Service Credit

23 Contribution Payment Fund created pursuant to

24 Section 5 of this act an amount necessary for the

1                   balance in the Fund to equal not more than Five  
2                   Hundred Thousand Dollars (\$500,000.00), but never  
3                   less than Two Hundred Seventy-five Thousand  
4                   Dollars (\$275,000.00),

5           b. after the apportionment required by subparagraph a of  
6           this paragraph, the remaining amounts shall be  
7           apportioned to the General Revenue Fund of the State  
8           Treasury as prescribed by this paragraph as follows:

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%
FY 2006	85.54%
FY 2007	85.04%
FY 2008 and each fiscal year thereafter	83.61%

16           2. For FY 2003, FY 2004 and FY 2005, ten and forty-two one-  
17 hundredths percent (10.42%), shall be paid to the State Treasurer to  
18 be placed to the credit of the Education Reform Revolving Fund of  
19 the State Department of Education and for FY 2006 and each fiscal  
20 year thereafter, ten and forty-six one hundredths percent (10.46%)  
21 shall be paid to the State Treasurer to be placed to the credit of  
22 the Education Reform Revolving Fund of the State Department of  
23 Education;

1 3. The following amounts shall be paid to the State Treasurer  
2 to be placed to the credit of the Teachers' Retirement System  
3 Dedicated Revenue Revolving Fund:

4 Fiscal Year	Amount
5 FY 2003 and FY 2004	3.54%
6 FY 2005	3.75%
7 FY 2006	4.0%
8 FY 2007	4.5%
9 FY 2008 and each fiscal 10 year thereafter	5.0%

11 4. For the fiscal year beginning July 1, 2007, and for each  
12 fiscal year thereafter, ninety-three one hundredths percent (0.93%)  
13 shall be paid to the State Treasurer to be further apportioned as  
14 follows:

- 15 a. thirty-six percent (36%) shall be placed to the credit  
16 of the Oklahoma Tourism Promotion Revolving Fund, and
- 17 b. sixty-four percent (64%) shall be placed to the credit  
18 of the Oklahoma Tourism Capital Improvement Revolving  
19 Fund.

20 SECTION 7. This act shall become effective July 1, 2007.

21 SECTION 8. It being immediately necessary for the preservation  
22 of the public peace, health and safety, an emergency is hereby  
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1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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