

1 ENGROSSED HOUSE
2 BILL NO. 1638

By: Banz, Reynolds, Tibbs,
Brannon, Smithson and
Terrill of the House

3
4 and

Aldridge of the Senate

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

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

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

20 This act shall be known and may be cited as the "Oklahoma Public
21 Pension Military Service Crediting Act of 2007."

22 SECTION 2. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 49-138A of Title 11, unless
24 there is created a duplication in numbering, reads as follows:

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

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

20 C. For periods of eligible military service, the employee
21 contributions applicable to the period of such service shall be paid
22 from the Military Service Credit Contribution Payment Fund created
23 pursuant to Section 5 of this act. Employee contributions shall be
24 paid to the System for the entire period during which the absent

1 member was mobilized or deployed pursuant to valid orders from the
2 military authority responsible for military service of the branch of
3 the United States Armed Forces in which the absent member was either
4 an enlisted member or an officer.

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

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

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

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

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1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 50-128A 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 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2-307.4A of Title 47, 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
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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 5. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 1005 of Title 62, unless there
7 is created a duplication in numbering, reads as follows:

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

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

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

21 SECTION 6. AMENDATORY 68 O.S. 2001, Section 1353, as
22 last amended by Section 17, Chapter 44, 2nd Extraordinary Session,
23 O.S.L. 2006 (68 O.S. Supp. 2006, Section 1353), is amended to read
24 as follows:

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

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

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

12 a. for the:

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

15 (\$275,000.00) shall be apportioned to the
16 Military Service Credit Contribution Payment
17 Fund created pursuant to Section 5 of this act,

18 (2) fiscal year ending June 30, 2009, and for each
19 fiscal year thereafter, there shall be
20 apportioned to the Military Service Credit
21 Contribution Payment Fund created pursuant to
22 Section 5 of this act an amount necessary for the
23 balance in the Fund to equal not more than Five
24 Hundred Thousand Dollars (\$500,000.00), but never

1 less than Two Hundred Seventy-five Thousand
2 Dollars (\$275,000.00),

3 b. after the apportionment required by subparagraph a of
4 this paragraph, the remaining amounts shall be
5 apportioned to the General Revenue Fund of the State
6 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%

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

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

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal year thereafter	5.0%

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

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

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

SECTION 8. 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.

1 Passed the House of Representatives the 14th day of March, 2007.

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4 Presiding Officer of the House of
Representatives

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6 Passed the Senate the ____ day of _____, 2007.

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9 Presiding Officer of the Senate