ENGROSSED HOUSE
BILL NO. 3112 By: Peterson (Ron), Smithson and Brannon of the House

and

Mazzei of the Senate

(Public retirement systems - option of providing direct access to report - effective date - emergency)

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

SECTION 1. AMENDATORY 74 O.S. 2001, Section 909.1, as last amended by Section 23, Chapter 536, O.S.L. 2004 (74 O.S. Supp. 2007, Section 909.1), is amended to read as follows:

Section 909.1 A. The Oklahoma Public Employees Retirement System Board of Trustees shall discharge their duties with respect to the System solely in the interest of the participants and beneficiaries and:

1. For the exclusive purpose of:

a. providing benefits to participants and their beneficiaries, and

b. defraying reasonable expenses of administering the System;

2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

3. By diversifying the investments of the System so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

4. In accordance with the laws, documents and instruments governing the System.

B. The Board of Trustees may procure insurance indemnifying the members of the Board of Trustees from personal loss or accountability from liability resulting from a member's action or inaction as a member of the Board of Trustees.

C. The Board of Trustees may establish an investment committee. The investment committee shall be composed of not more than five (5) members of the Board of Trustees appointed by the chairman of the Board of Trustees. The committee shall make recommendations to the full Board of Trustees on all matters related to the choice of custodians and managers of the assets of the System, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the Board of Trustees in any circumstances whatsoever. No recommendation of the committee shall

have effect as an action of the Board of Trustees nor take effect without the approval of the Board of Trustees as provided by law.

D. The Board of Trustees shall retain qualified investment managers to provide for the investment of the monies of the System. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the Board of Trustees. Subject to the overall investment guidelines set by the Board of Trustees, the investment managers shall have full discretion in the management of those monies of the System allocated to the investment managers. The Board of Trustees shall manage those monies not specifically allocated to the investment managers. The monies of the System allocated to the investment managers shall be actively managed by the investment managers, which may include selling investments and realizing losses if such action is considered advantageous to longer term return maximization. Because of the total return objective, no distinction shall be made for management and performance evaluation purposes between realized and unrealized capital gains and losses.

E. Funds and revenues for investment by the investment managers or the Board of Trustees shall be placed with a custodian selected by the Board of Trustees. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services. The custodian shall be chosen by a solicitation of proposals on a competitive basis pursuant to standards set by the

Board of Trustees. In compliance with the investment policy guidelines of the Board of Trustees, the custodian bank or trust company shall be contractually responsible for ensuring that all monies of the System are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of the System as to the investment of the monies of the System in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the Board of Trustees for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles.

F. By November 1, 1988, and prior to August 1 of each year thereafter, the Board of Trustees shall develop a written investment plan for the System.

G. The Board of Trustees shall compile a quarterly financial report of all the funds of the System on a fiscal year basis. The report shall be compiled pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The Board of Trustees shall include in the

quarterly reports all commissions, fees or payments for investment services performed on behalf of the Board. The report shall be distributed to the Governor, the Oklahoma State Pension Commission, the Legislative Service Bureau, the Speaker of the House of Representatives and the President Pro Tempore of the Senate. In lieu of compiling and distributing the quarterly report, the Board may provide the Pension Commission with direct access to the same data from the custodian bank for the System.

H. After July 1 and before December 1 of each year, the Board of Trustees shall publish widely an annual report presented in simple and easily understood language pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall be submitted to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Oklahoma State Pension Commission and the members of the System. The annual report shall cover the operation of the System during the past fiscal year, including income, disbursements, and the financial condition of the System at the end of the fiscal year. The annual report shall also contain the information issued in the quarterly reports required pursuant to subsection G of this section as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or over funded status, contributions and any other information deemed relevant by the Board of Trustees.

The annual report shall be written in such a manner as to permit a readily understandable means for analyzing the financial condition and performance of the System for the fiscal year. In order to standardize the information and analysis of the financial condition of the System, the Board shall provide information regarding the financial and actuarial condition of the System using assumptions or requirements as hereinafter required for the report stating the condition of the System as of July 1, 2002, and for each subsequent reporting date, which information shall be contained in an appendix or addendum to the annual report. For purposes other than the reporting requirements contained in the appendix or addendum, all actuarial and economic assumptions shall be those assumptions adopted by the System in its annual actuarial valuation. The appendix or addendum shall contain a statement of the financial condition of the System:

1. Using an assumed rate of return of seven and one-half percent (7.5%), net of investment expenses, per annum, compounded annually;

2. Using an actuarial assumption regarding cost-of-living adjustments for the System of two percent (2%) annually;

3. That relies upon the use of appropriate preretirement, postretirement and disability retirement information using generational projections taken from the RP-2000 Mortality Tables, published by the Society of Actuaries;

4. Which accurately and completely summarizes all sources of system assets, other than employee contributions, which shall include, but not be limited to, the total of all employer contributions, any dedicated tax or fee revenue of whatever kind or however denominated, and the total amount of any other source of revenue which accrues to the System, other than return on investments, such as federal monies used for the purpose of making employer contributions; and

5. Using an assumption that the unfunded actuarial accrued liabilities of the System are amortized over a period of thirty (30) years, in a manner consistent with the Governmental Accounting Standards Board Statement Number 25.

I. The Board shall distribute the corpus and income of the System to the members and their beneficiaries in accordance with the System's laws and rules and regulations. At no time prior to the satisfaction of all liabilities with respect to members and their beneficiaries shall any part of the corpus and income be used for, or diverted to, purposes other than the exclusive benefit of the members and their beneficiaries.

J. The Board of Trustees shall adopt a cost of living adjustment actuarial assumption in its annual actuarial valuation report.

SECTION 2. AMENDATORY 74 O.S. 2001, Section 914, as last amended by Section 1, Chapter 367, O.S.L. 2007 (74 O.S. Supp. 2007, Section 914), is amended to read as follows:

Section 914. A. The normal retirement date for a member of the Oklahoma Public Employees Retirement System shall be as defined in Section 902 of this title, provided members employed on or after January 1, 1983, shall have six (6) or more years of full-time-equivalent employment with a participating employer before receiving any retirement benefits or if the member is a legislative session employee of the Legislature, shall have three (3) or more years of full-time-equivalent employment with a participating employer before receiving any retirement benefits. In no event shall a normal retirement date for a member be before six (6) months after the entry date of the participating employer by whom he or she is employed.

B. A member may be employed beyond the normal retirement date by the appointing authority of the participating employer. However, the member may not receive retirement pay so long as the member continues employment under this act. Any member who has terminated employment with a participating employer prior to the month immediately preceding said member's normal retirement date must elect a vested benefit pursuant to Section 917 of this title before receiving any retirement benefits.

C. Notice for retirement shall be filed through the retirement coordinator for the participating employer in such form and manner as the Board shall prescribe; provided, that such notice for retirement shall be filed with the office of the retirement system at least sixty (60) days prior to the date selected for the member's retirement; provided further, that the Executive Director may waive the sixty-day notice for good cause shown as defined by the Board.

D. No retirement benefits shall be payable to any member until the first day of the month following the termination of the member's employment with any participating employer. The type of retirement benefit selected by a member may not be changed on or after the effective date of the member's retirement. Receipt of workers' compensation benefits shall in no respect disqualify retirant for benefits.

E. If a retirant should be elected or appointed to any position or office for which compensation for service is paid from levies or taxes imposed by the state or any political subdivision thereof, the retirant shall not receive any retirement benefit for any month for which the retirant serves in such position or office after the retirant has received compensation in a sum equal to the amount allowable as wages or earnings by the Social Security Administration in any calendar year; provided, this subsection shall not apply to service rendered by a retirant as a juror, as a witness in any legal proceeding or action, as an election board judge or clerk, or in any

other office or position of a similar nature, or to an employer that is not a participating employer. Provided, further, that any participating employer who is employing such a retirant shall make proper written notification to the System informing it of the beginning date of such retirant's employment and the date such retirant reaches the maximum compensation allowed by this section in the calendar year; and provided, also, that any retirant returning to work for a participating employer shall make contributions to the System and the employer shall do likewise. All retirants who have returned to employment and participation in the System following retirement shall have post-retirement benefits calculated on one of the following methods:

1. All service accumulated from date of reemployment shall be computed based on the benefit formula applicable at that time and the additional benefits shall be added to the previous benefits. Such additional benefits shall be calculated each year based upon additional service accrued from July 1 to June 30 of the previous year and the additional benefit, if any, will be added to the retirant’s monthly benefit beginning January 1, 2000, and each January 1 thereafter; however, the post-retirement service credit shall be cumulative, beginning with service credit accrued after the date of retirement, provided that the retirant has not received a distribution of the post-retirement contributions.

2. Any retirant who returns to employment with a participating employer may elect not to receive any retirement benefits while so reemployed. If such an election is made and reemployment is for a minimum period of thirty-six (36) consecutive months, all service accumulated from date of reemployment shall be participating service. For purposes of determining the retirement benefits of such a member upon the termination of such reemployment all creditable service of the member shall be computed based on the benefit formula applicable at the time of termination of such reemployment. Provided, a retirant who became reemployed prior to July 1, 1982, and who is reemployed for a minimum of thirty-six (36) consecutive months shall have all the creditable service of such retirant computed based on the benefit formula applicable at the time of termination of such reemployment if the retirant elects not to receive retirement benefits prior to such termination of reemployment. A retirant who has waived receipt of the monthly benefit, but is not reemployed for the full thirty-six (36) consecutive months, shall upon termination of such reemployment have only the additional amount added to his or her benefit as if they had not waived the benefit as provided in paragraph 1 of this subsection.

3. All post-retirement additional benefits shall be calculated using actual hours worked as well as the actual compensation received and upon which contributions are paid. Post-retirement

service is not subject to the partial year round-up provisions of subsection C of Section 913 of this title.

4. A retired member who returns to work for a participating employer pursuant to this section shall be bound by the election made pursuant to paragraph (2) of subsection A of Section 915 of this title if the member had made such election prior to retirement. If the member had not made such election prior to retirement, the member may do so during the member's reemployment with a participating employer pursuant to this section. A retired member may not be rehired by their former employer, nor may the retired member be permitted to enter into an employment contract of any kind with a former employer, for a period of one (1) year after retiring unless the retired member waives his or her benefit under paragraph 2 of this subsection and returns as a bona fide employee.

F. Any member may elect to retire before his or her normal retirement date on the first day of any month coinciding with or following the attainment of age fifty-five (55), provided such member has completed ten (10) years of participating service, but in no event before six (6) months after the entry date. Any member who shall retire before the normal retirement date shall receive an annual retirement benefit adjusted in accordance with the following percentage schedule:

Age	Percentage of Normal Retirement Benefit

62	100.00%
61	93.33%
60	86.67%
59	80.00%
58	73.33%
57	66.67%
56	63.33%
55	60.00%

SECTION 3. AMENDATORY 74 O.S. 2001, Section 920, as last amended by Section 26, Chapter 536, O.S.L. 2004 (74 O.S. Supp. 2007, Section 920), is amended to read as follows:

Section 920. (1) Effective July 1, 1994, every state agency which is a participating employer shall contribute to the System an amount equal to eleven and one-half percent (11 1/2%) of the monthly compensation of each member, but not in excess of Forty Thousand Dollars ($40,000.00).

(2) Effective July 1, 1995, every state agency which is a participating employer shall contribute to the System an amount equal to eleven and one-half percent (11 1/2%) of the monthly compensation of each member, not to exceed the allowable annual compensation as defined in paragraph (9) of Section 902 of this title.

(3) Effective July 1, 1996, every state agency which is a participating employer shall contribute to the System an amount

equal to twelve percent (12%) of the monthly compensation of each member, not to exceed the allowable annual compensation defined in paragraph (9) of Section 902 of this title.

(4) Effective July 1, 1999, and through the fiscal year ending June 30, 2005, every state agency which is a participating employer shall contribute to the System an amount equal to ten percent (10%) of the monthly compensation of each member, not to exceed the allowable annual compensation defined in paragraph (9) of Section 902 of this title.

(5) Effective July 1, 2005, every state agency which is a participating employer shall contribute an amount to the System equal to a percentage of monthly compensation of each member, not to exceed the allowable annual compensation defined in paragraph (9) of Section 902 of this title as follows:

July 1, 2005 - June 30, 2006	11 1/2%
July 1, 2006 - June 30, 2007	12 1/2%
July 1, 2007 - June 30, 2008	13 1/2%
July 1, 2008 - June 30, 2009	14 1/2%
July 1, 2009 - June 30, 2010	15 1/2%
July 1, 2010 - June 30, 2011 and each year thereafter	16 1/2%

(6) The Board shall certify, on or before ~~July 15~~ November 1 of each year, to the Office of State Finance ~~in the case of the state and to the retirement coordinator for each participating employer~~ an

actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the System, to be paid by each ~~such~~ participating employer to pay all liabilities which shall exist or accrue under the System, including amortization of the past service cost over a period of not to exceed forty (40) years from June 30, 1987, and the cost of administration of the System, as determined by the Board, upon recommendation of the actuary.

(7) The Office of State Finance and the Governor shall include in the budget and in the budget request for appropriations the sum required to satisfy the state's obligation under this section as certified by the Board and shall present the same to the Legislature for allowance and appropriation.

(8) Each other participating employer shall appropriate and pay to the System a sum sufficient to satisfy the obligation under this section as certified by the Board.

(9) Each participating employer is hereby authorized to pay the employer's contribution from the same fund that the compensation for which said contribution is paid from or from any other funds available to it for such purpose.

(10) Forfeitures arising from severance of employment, death or for any other reason may not be applied to increase the benefits any member would otherwise receive under the System's law. However, forfeitures may be used to reduce an employer's contribution.

SECTION 4. AMENDATORY 20 O.S. 2001, Section 1108, as last amended by Section 12, Chapter 536, O.S.L. 2004 (20 O.S. Supp. 2007, Section 1108), is amended to read as follows:

Section 1108. A. The Board of Trustees of the Oklahoma Public Employees Retirement System shall have the responsibility for management of the Uniform Retirement System for Justices and Judges and the State Judicial Retirement Fund. All benefits payable under The Uniform Retirement System for Justices and Judges, refunds of contributions and overpayments, purchases or investments under the law, and all expenses in connection with the System shall be paid from the Oklahoma Judicial Retirement Fund. The State Judicial Retirement Fund shall be invested and managed in the same manner as now or hereinafter provided by law for the investment and management of funds belonging to the Oklahoma Public Employees Retirement System. The Uniform Retirement System for Justices and Judges shall be an instrumentality of the State of Oklahoma. The System shall be vested with the powers and duties specified in this act and such other powers as may be necessary to enable it, its officers, employees, and agents to carry out fully and effectively the purposes and intent of this act.

1. The Board shall distribute the corpus and income of the System to the members and their beneficiaries in accordance with the System's law. At no time prior to the satisfaction of all liabilities with respect to members and their beneficiaries shall

any part of the corpus and income be used for, or diverted to, purposes other than the exclusive benefit of the members and their beneficiaries.

2. The Board may not engage in a transaction prohibited by Section 503(b) of the federal Internal Revenue Code.

3. The Board shall be responsible for the policies and rules for the general administration of the System, subject to the provisions of this act. Except as specifically provided in this act, the Uniform Retirement System for Justices and Judges shall generally be managed in the same manner as now or hereinafter provided by law or by rule for the management of the Oklahoma Public Employees Retirement System.

4. The Board shall establish rules for the administration of the System and for the transaction of its business consistent with law, which rules shall be promulgated in compliance with the Administrative Procedures Act.

5. The Board may adopt all necessary actuarial tables to be used in the operation of the System as recommended by the actuary and may compile such additional data as may be necessary for required actuarial valuation calculations.

6. All decisions of the Board as to questions of fact shall be final and conclusive on all persons except for the right of review as provided by law and except for fraud or such gross mistake of fact as to have effect equivalent to fraud.

7. Any person who shall knowingly make any false statement, or who shall falsify or permit to be falsified any record necessary for carrying out the intent of this act for the purpose of committing fraud, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding Five Hundred Dollars ($500.00) or by imprisonment for not exceeding one (1) year. Should any error in any records of the Uniform Retirement System for Justices and Judges result in any member or beneficiary receiving more or less than he or she would have been entitled to receive had the records been correct, the Board shall correct such error, and, as far as practicable, make future payments in such manner that the actuarial equivalent of the benefit to which such member or beneficiary was entitled shall be paid, and to this end, may recover any overpayments.

B. The Board of Trustees of the Oklahoma Public Employees Retirement System shall compile a quarterly financial report of all the funds of the State Judicial Retirement Fund on a fiscal year basis. The report shall be compiled pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of

investment, over periods of time. The Board of Trustees shall include in the quarterly reports all commissions, fees or payments for investment services performed on behalf of the Board of Trustees with respect to the State Judicial Retirement Fund. The report shall be distributed to the Governor, the Oklahoma State Pension Commission, the Legislative Service Bureau, the Speaker of the House of Representatives and the President Pro Tempore of the Senate. In lieu of compiling and distributing the quarterly report, the Board may provide the Pension Commission with direct access to the same data from the custodian bank for the System.

C. There is hereby created the Retirement Medical Benefit Fund. The fund shall be maintained as a subaccount of the State Judicial Retirement Fund. The Retirement Medical Benefit Fund is composed of all assets which may be contributed to this subaccount to pay the retirement system's portion of the monthly retiree health insurance premium benefit described by Section 1316.2 of Title 74 of the Oklahoma Statutes. All such allocated assets and any earnings thereon in the Retirement Medical Benefit Fund shall be held for the exclusive purpose of providing retiree medical benefits. The Retirement Medical Benefit Fund is to be administered in accordance with the requirements of Section 401(h) of the Internal Revenue Code of 1986, as amended from time to time. The Board of Trustees may promulgate such rules as are necessary to implement the funding and

administration of the fund pursuant to the provisions of this subsection.

D. After July 1 and before December 1 of each year, the Board of Trustees of the Oklahoma Public Employees Retirement System shall publish widely an annual report presented in simple and easily understood language pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall be submitted to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Oklahoma State Pension Commission and the members of the System. The annual report shall cover the operation of the System during the past fiscal year, including income, disbursements, and the financial condition of the System at the end of the fiscal year. The annual report shall also contain the information issued in the quarterly reports required pursuant to subsection B of this section as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or overfunded status, contributions and any other information deemed relevant by the Board of Trustees. The annual report shall be written in such a manner as to permit a readily understandable means for analyzing the financial condition and performance of the System for the fiscal year. In order to standardize the information and analysis of the financial condition of the System, the Board shall provide information regarding the

financial and actuarial condition of the System using assumptions or requirements as hereinafter required for the report stating the condition of the System as of July 1, 2002, and for each subsequent reporting date, which information shall be contained in an appendix or addendum to the annual report. For purposes other than the reporting requirements contained in the appendix or addendum, all actuarial and economic assumptions shall be those assumptions adopted by the System in its annual actuarial valuation. The appendix or addendum shall contain a statement of the financial condition of the System:

1. Using an assumed rate of return of seven and one-half percent (7.5%), net of investment expenses, per annum, compounded annually;

2. Using an actuarial assumption regarding cost-of-living adjustments for the System of two percent (2%) annually;

3. That relies upon the use of appropriate preretirement, postretirement and disability retirement information using generational projections taken from the RP-2000 Mortality Tables, published by the Society of Actuaries;

4. Which accurately and completely summarizes all sources of system assets, other than employee contributions, which shall include, but not be limited to, the total of all employer contributions, any dedicated tax or fee revenue of whatever kind or however denominated, and the total amount of any other source of

revenue which accrues to the System, other than return on investments, such as federal monies used for the purpose of making employer contributions; and

5. Using an assumption that the unfunded actuarial accrued liabilities of the System are amortized over a period of thirty (30) years, in a manner consistent with the Governmental Accounting Standards Board Statement Number 25.

E. The Board shall adopt a cost of living adjustment actuarial assumption in its annual actuarial valuation report.

SECTION 5. AMENDATORY 20 O.S. 2001, Section 1103.1, as last amended by Section 7, Chapter 536, O.S.L. 2004 (20 O.S. Supp. 2007, Section 1103.1), is amended to read as follows:

Section 1103.1 A. ~~On and after January 1, 2001, the Administrative Director of the Courts, in addition to the members' contributions, shall transfer monthly amounts for deposit in the State Judicial Retirement Fund as set out in Section 1309 of this title equal to two percent (2.0%) of the monthly total actual paid gross salaries of the members of the Uniform Retirement System for Justices and Judges.~~ Effective July 1, ~~2005~~ 2008, ~~such amounts transferred by~~ the Administrative Director of the Courts shall ~~be as follows:~~

~~Fiscal Year Ending~~	~~Percentage of Contribution~~
~~June 30, 2006~~	~~3.0%~~
~~June 30, 2007~~	~~4.0%~~

~~June 30, 2008~~	~~5.5%~~
~~June 30, 2009~~	~~7.0%~~
~~June 30, 2010~~	~~8.5%~~
~~June 30, 2011~~	~~10.0%~~
~~June 30, 2012~~	~~11.5%~~
~~June 30, 2013~~	~~13.0%~~
~~June 30, 2014~~	~~14.5%~~
~~June 30, 2015~~	~~16.0%~~
~~June 30, 2016~~	~~17.5%~~
~~June 30, 2017~~	~~19.0%~~
~~June 30, 2018~~	~~20.5%~~
~~June 30, 2019 and thereafter~~	~~22.0%~~

~~B. Regardless of the contribution rate as set out in subsection A of this section,~~ transfer monthly amounts for deposit in the State Judicial Retirement Fund to pay the employer contributions for all active members of the Uniform Retirement System for Justices and Judges, except the judges of the Court of Criminal Appeals and judges of the Workers' Compensation Court. The appropriate administrative staff of the Court of Criminal Appeals and the Workers' Compensation Court shall be responsible to remit the employer contributions for the judges of those courts. It is the intent of the Oklahoma Legislature that the State Judicial Retirement Fund ~~shall not be allowed to~~ should have a funded ratio ~~below~~ of one hundred percent (100%). The Board of Trustees of the

Oklahoma Public Employees Retirement System is authorized to establish and adjust ~~such~~ the employer contribution rate annually, upon the consideration of an actuarial recommendation, ~~to prevent a funded ratio below one hundred percent (100%)~~ at the actuarially required employer contribution rate. If a possible increase in any given year to the full actuarially required rate is in excess of three percent (3%) of compensation, the Board may adopt a plan to raise the contribution rates over a period of up to five (5) years until reaching the full actuarially required rate. The Board may consider the availability of funds to the Administrative Director of the Courts, the Court of Criminal Appeals and the Workers' Compensation Court, in establishing the annual contribution rate. The Board of Trustees shall make an annual report concerning its decision ~~to increase~~ establishing the contribution rate. The report shall be distributed to the Governor, the Chief Justice of the Supreme Court, the Legislative Service Bureau, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

~~C.~~ B. The Administrative Director of the Courts and the appropriate administrative staff of the Court of Criminal Appeals and the Workers' Compensation Court shall remit to the System all required retirement contributions due on a monthly basis. All required court and employee contributions and supporting documentation are due and must be received by the System on or

before the fifteenth day of the month following the month for which the contributions are due. Court and employee contributions remitted to the System after thirty (30) days from the above due date shall be subject to a monthly late charge of one and one-half percent (1.5%) of the unpaid balance to be paid by the Administrative Director of the Courts <u>or the appropriate administrative staff of the Court of Criminal Appeals and the Workers' Compensation Court</u> to the System.

SECTION 6. AMENDATORY 20 O.S. 2001, Section 1307, as last amended by Section 5, Chapter 443, O.S.L. 2004 (20 O.S. Supp. 2007, Section 1307), is amended to read as follows:

Section 1307. A. Within thirty (30) days after the end of each quarter of every fiscal year, the court clerk of each county shall report to the Administrative Director of the Courts, in the manner prescribed by law for the reporting of information by agencies to the Office of State Finance pursuant to Section 41.1 et seq. of Title 62 of the Oklahoma Statutes, the:

1. Gross receipts to the court fund during the preceding quarter;

2. Total amount of expenses paid during the preceding quarter, including, but not limited to, bond and interest expense and payments to the county general fund; and

3. Total amount of money transferred or to be transferred to the State Judicial Revolving Fund <u>and State Judicial Retirement Fund</u>

for the entire past fiscal year as set forth in Section 1308 of this title.

B. The Administrative Director of the Courts shall subsequently report the information required by subparagraphs 1 and 2 of subsection A of this section within ten (10) days after receipt of the information to the Office of State Finance in a manner consistent with the policies and procedures of the Office of State Finance for reporting by state agencies pursuant to the provisions of Section 41.1 et seq. of Title 62 of the Oklahoma Statutes.

C. The information required by this section for reporting by court clerks pursuant to subsection A of this section and for reporting by the Administrative Director of the Courts pursuant to subsection B of this section shall be in a form that separates fines, fees, forfeitures and other sources of revenue. The information shall also indicate the amount of receipts used for local court expenses and the amount deposited into the State Judicial Revolving Fund.

D. A ceiling on the amount of local court funds to be allocated by the Chief Justice of the Supreme Court for the local court budgets shall be established in the annual appropriation to the courts.

E. Not later than December 1 and February 1 of each year, the Administrative Director of the Courts shall provide an estimate of

the amount of funds to accrue to the State Judicial Revolving Fund in the subsequent fiscal year.

SECTION 7. AMENDATORY 20 O.S. 2001, Section 1308, as amended by Section 6, Chapter 443, O.S.L. 2004 (20 O.S. Supp. 2007, Section 1308), is amended to read as follows:

Section 1308. A. Clerks in counties having a population of less than seventy thousand (70,000) must transmit each quarter for deposit in the State Judicial Revolving Fund the amount by which the receipts deposited in the court fund for the quarter, including the interest earned on the court fund, exceeds the expenses for the quarter, provided the court clerk shall retain from the excess amount a sum equal to twenty percent (20%) of the expenses for the quarter. Clerks in counties having a population of seventy thousand (70,000) or more shall transmit each month for deposit in the State Judicial Revolving Fund the amount by which the receipts deposited in the court fund for the reporting period for the report required by Section 1307 of this title, including interest earned on the court fund, exceeds the expenses for the reporting period, provided the clerk shall retain from the excess amount a sum equal to twenty percent (20%) of the expenses for the reporting period.

B. The court clerk must transmit to the Administrative Director of the Courts ten percent (10%) of the amount collected in the court fund for the applicable reporting period in subsection A of this section, to be used to pay the employer contributions into the State

Judicial Retirement Fund. Each month the Administrative Director of the Courts shall remit a portion of these funds to the Court of Criminal Appeals and the Workers' Compensation Court to be used by those courts to pay employer contributions into the State Judicial Retirement Fund. The amount paid shall be an amount sufficient to pay each court's liability for employer contributions less the amount those courts have been appropriated by the Legislature for that purpose. If the funds received under this subsection from the court funds after making these distributions to the Court of Criminal Appeals and the Workers' Compensation Court are insufficient to pay employer contributions, the Administrative Director shall use other available funds to pay the remaining employer contributions owed to the State Judicial Retirement Fund. If at the end of any fiscal year, the funds received under this subsection from court funds is in excess of the amount needed to pay the employer contributions, the Administrative Director shall report the excess amount to the Office of State Finance on or before the deadline to file budget requests, and shall also report the excess amount to the chairs of the Senate and House appropriations committees.

C. Within thirty (30) days after the end of each fiscal year, the court clerk, in addition to the other amounts due hereunder, shall transmit to the Supreme Court for deposit in the State Judicial Revolving Fund an amount equal to the gross receipts for

the entire past fiscal year less the total amount of expenses, as defined in subsection A of Section 1307 of this title, and less the transfers made for the past fiscal year.

SECTION 8. This act shall become effective July 1, 2008.

SECTION 9. 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 House of Representatives the 11th day of March, 2008.

_____
Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2008.

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Presiding Officer of the Senate