

THE HOUSE OF REPRESENTATIVES
Wednesday, March 5, 2008

Committee Substitute for
House Bill No. 2750

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2750 - By: DANK of the House.

(Insurance premium tax apportionments - premium tax credit – effective date
–
emergency)

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

1 SECTION 1. AMENDATORY 36 O.S. 2001, Section 312.1, as last amended by
2 Section 17, Chapter 46, 2nd Extraordinary Session, O.S.L. 2006 (36 O.S. Supp. 2007,
3 Section 312.1), is amended to read as follows:
4 Section 312.1 A. For the fiscal year ending June 30, 2004, the Insurance
5 Commissioner shall report and disburse one hundred percent (100%) of the fees and
6 taxes collected under Section 624 of this title to the State Treasurer to be deposited to the
7 credit of the Education Reform Revolving Fund created pursuant to Section 41.29b of
8 Title 62 of the Oklahoma Statutes. The Insurance Commissioner shall keep an accurate
9 record of all such funds and make an itemized statement and furnish same to the State
10 Auditor and Inspector, as to all other departments of this state. The report shall be
11 accompanied by an affidavit of the Insurance Commissioner or the Chief Clerk of such
12 office certifying to the correctness thereof.

1 B. For the fiscal year beginning July 1, 2006, and for each fiscal year thereafter,
2 the Insurance Commissioner shall apportion an amount of the taxes and fees received
3 from Section 624 of this title, which shall be at least One Million Two Hundred Fifty
4 Thousand Dollars (\$1,250,000.00) each year, but which shall also be computed on an
5 annual basis by the Commissioner as the amount of insurance premium tax revenue loss
6 attributable to the provisions of subsection H of Section 625.1 of this title and increased
7 if necessary to reflect the annual computation, and which shall be apportioned before any
8 other amounts, to the following pension systems and in the following amounts:

9 1. Sixty-five percent (65%) to the Oklahoma Firefighters Pension and Retirement
10 Fund in the manner provided for in Sections 49-119, 49-120 and 49-123 of Title 11 of the
11 Oklahoma Statutes;

12 2. Twenty-six percent (26%) to the Oklahoma Police Pension and Retirement
13 System pursuant to the provisions of Sections 50-101 through 50-136 of Title 11 of the
14 Oklahoma Statutes; and

15 3. Nine percent (9%) to the Law Enforcement Retirement Fund.

16 C. After the apportionment required by subsection B of this section, for the fiscal
17 years beginning July 1, 2004, and ending June 30, 2009, the Insurance Commissioner
18 shall report and disburse all of the fees and taxes collected under Section 624 of this title
19 and Section 2204 of this title, and the same are hereby apportioned as follows:

20 1. Thirty-four percent (34%) of the taxes collected on premiums shall be allocated
21 and disbursed for the Oklahoma Firefighters Pension and Retirement Fund, in the

1 manner provided for in Sections 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma
2 Statutes;

3 2. Seventeen percent (17%) of the taxes collected on premiums shall be allocated
4 and disbursed to the Oklahoma Police Pension and Retirement System pursuant to the
5 provisions of Sections 50-101 through 50-136 of Title 11 of the Oklahoma Statutes;

6 3. Six and one-tenth percent (6.1%) of the taxes collected on premiums shall be
7 allocated and disbursed to the Law Enforcement Retirement Fund; and

8 4. All the balance and remainder of the taxes and fees provided in Section 624 of
9 this title shall be paid to the State Treasurer to the credit of the General Revenue Fund
10 of the state to provide revenue for general functions of state government. The Insurance
11 Commissioner shall keep an accurate record of all such funds and make an itemized
12 statement and furnish same to the State Auditor and Inspector, as to all other
13 departments of this state. The report shall be accompanied by an affidavit of the
14 Insurance Commissioner or the Chief Clerk of such office certifying to the correctness
15 thereof.

16 D. After the apportionment required by subsection B of this section, for the fiscal
17 year ending June 30, 2010, and for each fiscal year thereafter the Insurance
18 Commissioner shall report and disburse all of the fees and taxes collected under Section
19 624 of this title and Section 2204 of this title, and the same are hereby apportioned as
20 follows:

21 1. Thirty-four percent (34%) of the taxes collected on premiums shall be allocated
22 and disbursed for the Oklahoma Firefighters Pension and Retirement Fund, in the

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~~Strike thru~~ language denotes deletion from present Statutes.

1 manner provided for in Sections 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma
2 Statutes;

3 2. Fourteen percent (14%) of the taxes collected on premiums shall be allocated and
4 disbursed to the Oklahoma Police Pension and Retirement System pursuant to the
5 provisions of Sections 50-101 through 50-136 of Title 11 of the Oklahoma Statutes;

6 3. Five percent (5%) of the taxes collected on premiums shall be allocated and
7 disbursed to the Law Enforcement Retirement Fund; and

8 4. All the balance and remainder of the taxes and fees provided in Section 624 of
9 this title shall be paid to the State Treasurer to the credit of the General Revenue Fund
10 of the state to provide revenue for general functions of state government. The Insurance
11 Commissioner shall keep an accurate record of all such funds and make an itemized
12 statement and furnish same to the State Auditor and Inspector, as to all other
13 departments of this state. The report shall be accompanied by an affidavit of the
14 Insurance Commissioner or the Chief Clerk of such office certifying to the correctness
15 thereof.

16 E. Effective July 1, 2008, any tax credit that may be claimed against the liability
17 imposed pursuant to Section 624 or 628 of this title shall be deducted from the
18 percentage of the applicable insurance premium tax that is apportioned to the General
19 Revenue Fund of the State Treasury and shall not be deducted in a manner that
20 adversely affects the amount of insurance premium tax revenues that are apportioned to
21 the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police
22 Pension and Retirement System or the Oklahoma Law Enforcement Retirement System.

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1 The disbursements provided for in subsections A, B, C and D of this section shall be
2 made monthly. The Insurance Commissioner shall report annually to the Governor, the
3 Speaker of the House of Representatives, the President Pro Tempore of the Senate and
4 the State Auditor and Inspector, the amounts collected and disbursed pursuant to this
5 section.

6 SECTION 2. This act shall become effective July 1, 2008.

7 SECTION 3. It being immediately necessary for the preservation of the public
8 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
9 this act shall take effect and be in full force from and after its passage and approval.

10 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND
11 FINANCIAL SERVICES, dated 03-04-08 - DO PASS, As Amended.