

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 SENATE BILL 1454

By: Ivester

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5  
6 AS INTRODUCED

7 An Act relating to workers' compensation; amending 85  
8 O.S. 2001, Section 63.1, which relates to penalties  
9 for failure to secure workers' compensation  
10 insurance; increasing certain penalty; increasing  
11 maximum for certain penalty; and providing an  
12 effective date.

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

14 SECTION 1. AMENDATORY 85 O.S. 2001, Section 63.1, is  
15 amended to read as follows:

16 Section 63.1 A. In addition to any other penalty prescribed by  
17 law, any employer who fails to secure compensation required by  
18 Section 61 of this title shall be liable for a civil penalty, to be  
19 assessed by the Commissioner of Labor or designee, of not more than  
20 Two Hundred Fifty Dollars (\$250.00) per employee for a first  
21 offense, unless the employer secures workers' compensation insurance  
22 within thirty (30) days after receiving notice of the violation. If  
23 the employer secures workers' compensation insurance within thirty  
24 (30) days after receiving notice of the violation, the employer  
shall be liable for a civil penalty of not more than ~~Seventy five~~

1 ~~Dollars (\$75.00)~~ One Hundred Fifty Dollars (\$150.00) per employee.

2 An employer shall be liable for a civil penalty of not more than One  
3 Thousand Dollars (\$1,000.00) per employee for a second or subsequent  
4 offense. Provided, the maximum civil penalty shall not exceed ~~Ten~~  
5 ~~Thousand Dollars (\$10,000.00)~~ Twenty-five Thousand Dollars  
6 (\$25,000.00) for all related series of violations. All civil  
7 penalties collected shall be deposited in the "Workers' Compensation  
8 Enforcement Revolving Fund" created by this section and shall be  
9 used to enforce the provisions of the Workers' Compensation Act.

10 B. After an employer is cited for two offenses of failing to  
11 obtain workers' compensation insurance and fails to obtain coverage  
12 within thirty (30) days of the second citation, the Commissioner of  
13 Labor shall issue cease and desist orders, in accordance with the  
14 Department of Labor administrative rules and procedures, against an  
15 employer until the violating employer shall obtain workers'  
16 compensation insurance for its employees. The Commissioner of Labor  
17 shall have the authority to require the cessation of activities of  
18 an employer whose employees are not covered by workers' compensation  
19 insurance until the violating employer shall obtain workers'  
20 compensation insurance for its employees; provided that an employer  
21 who has made application for workers' compensation coverage with  
22 either the State Insurance Fund or a private insurance carrier, and  
23 who, through no fault of the employer, has not received notice that  
24 such coverage has commenced, shall not be made to cease operations,

1 as provided for in this section, until a determination has been made  
2 concerning his application for workers' compensation coverage. Any  
3 order to cease and desist issued by the Commissioner may be enforced  
4 in district court. The district court may issue the Commissioner an  
5 injunction without bond, for the purposes of enforcing this section.

6 C. The Commissioner of Labor or designee shall assess and  
7 collect any civil penalty incurred under subsection A of this  
8 section and, in the Commissioner's discretion, may remit, mitigate  
9 or negotiate said penalty. In determining the amount of the penalty  
10 to be assessed, or the amount agreed upon in any negotiation,  
11 consideration shall be given to the appropriateness of such penalty  
12 in light of the life of the business of the employer charged, the  
13 gravity of the violation, and the extent to which the employer  
14 charged has complied with the provisions of Section 61 of this title  
15 or has otherwise attempted to remedy the consequences of the said  
16 violation. Individual proceedings shall be conducted pursuant to  
17 the provisions of Section 63.2 of this title.

18 D. There is hereby created in the State Treasury a revolving  
19 fund for the Department of Labor to be designated the "Workers'  
20 Compensation Enforcement Revolving Fund". The fund shall be a  
21 continuing fund, not subject to fiscal year limitations, and shall  
22 consist of all monies collected by the Department pursuant to the  
23 provisions of this section. Expenditures from said fund shall be  
24 made upon warrants issued by the State Treasurer against claims

1 filed as prescribed by law with the Director of State Finance for  
2 approval and payment.

3 E. No hospital or health provider shall charge more for a  
4 workers' compensation claim than for the same service not involving  
5 workers' compensation.

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

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