SENATE FLOOR VERSION
April 8, 2015
AS AMENDED

ENGROSSED HOUSE
BILL NO. 2161 By: McCullough of the House

and

Treat of the Senate

[workers' compensation - Workers' Compensation Commission - Workers' Compensation Court of Existing Claims - Workers' Compensation Fund - Workers' Compensation Commission Revolving Fund - Workers' Compensation Court of Existing Claims Revolving Fund - ~~effective date~~ - ~~emergency~~]

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

SECTION 1. AMENDATORY Section 28, Chapter 208, O.S.L. 2013, as amended by Section 1, Chapter 169, O.S.L. 2014 (85A O.S. Supp. 2014, Section 28), is amended to read as follows:

Section 28. A. There are established within the Office of the State Treasurer ~~three~~ two separate funds:

1. ~~The "Workers' Compensation Fund";~~

~~2.~~ The "Multiple Injury Trust Fund"; and

~~3.~~ 2. The "Self-insurance Guaranty Fund".

B. Except as provided in Section 97 of this title, no money shall be appropriated from these funds for any purpose except for

the use and benefit, or at the direction, of the Oklahoma Workers' Compensation Commission.

C. Except as provided in Section 96 of this title, all funds established under this section shall be administered, disbursed, and invested under the direction of the Commission and the State Treasurer.

D. All incomes derived through investment of the ~~Workers' Compensation Fund and the~~ Multiple Injury Trust Fund shall be credited as investment income to the fund that participated in the investment.

E. No monies deposited to these funds shall be subject to any deduction, tax, levy, or any other type of assessment.

F. If the balance in the Multiple Injury Trust Fund becomes insufficient to fully compensate those employees to whom it is obligated, payment shall be suspended until such time as the Multiple Injury Trust Fund is capable of meeting its obligations, paying all arrearages, and restoring normal benefit payments.

G. On the effective maturity dates of each investment, the investment shall be transferred to the State Treasurer for deposit into the Multiple Injury Trust Fund created in this section.

H. ~~The Workers' Compensation Fund shall be used to fund the activities of the Commission in administering the Administrative Workers' Compensation Act and for any other purposes related to the~~

~~Administrative Workers' Compensation Act that the Commission deems appropriate, subject to the provisions of Section 122 of this title.~~

~~I.~~ Unless provided otherwise in the Administrative Workers' Compensation Act, all fines and penalties assessed under the Administrative Workers' Compensation Act shall be deposited into the Workers' Compensation Commission Revolving Fund.

SECTION 2. AMENDATORY Section 165, Chapter 208, O.S.L. 2013 (85A O.S. Supp. 2014, Section 122), is amended to read as follows:

Section 122. A. The Workers' Compensation Commission Revolving Fund established by ~~Section 28 of this act~~ Section 3 of this act shall be used for the costs of administering this act and for other purposes ~~pursuant to legislative appropriation~~ as authorized by law.

B. For the purpose of providing funds for the Workers' Compensation Commission Revolving Fund, and for the Workers' Compensation Court of Existing Claims Revolving Fund, each mutual or interinsurance association, stock company, CompSource Oklahoma or other insurance carrier writing workers' compensation insurance in this state shall pay to the Oklahoma Tax Commission an assessment at a rate of one percent (1%) of all gross direct premiums written during each quarter of the calendar year for workers' compensation insurance on risks located in this state after deducting from such gross direct premiums, return premiums, unabsorbed portions of any deposit premiums, policy dividends, safety refunds, savings and

other similar returns paid or credited to policyholders. Such payments to the Tax Commission shall be made not later than the fifteenth day of the month following the close of each quarter of the calendar year in which such gross direct premium is collected or collectible. Contributions made by insurance carriers and CompSource Oklahoma, under the provisions of this section, shall be considered for the purpose of computing workers' compensation rates.

C. When an employer is authorized to become a self-insurer, the Commission shall so notify the Tax Commission, giving the effective date of such authorization. The Tax Commission shall then assess and collect from the employers carrying their own risk an assessment at the rate of two percent (2%) of the total compensation for permanent total disability awards, permanent partial disability awards and death benefits paid out during each quarter of the calendar year by the employers. Such assessment shall be payable by the employers and collected by the Tax Commission according to the provisions of this section regarding payment and collection of the assessment created in subsection C of this section.

D. It shall be the duty of the Tax Commission to collect the payments provided for in this act. The Tax Commission is hereby authorized to bring an action for the recovery of any delinquent or unpaid payments required in this section. The Tax Commission may also enforce payments by proceeding in accordance with the provisions of Section 98 of this ~~act~~ title.

E. The Tax Commission shall pay monthly to ~~the State Treasurer to the credit of the General Revenue Fund all monies collected under the provisions of this section~~:

1. The Workers' Compensation Commission Revolving Fund sixty percent (60%) of the monies collected pursuant to the provisions of this section, but not to exceed Five Million Dollars ($5,000,000.00) for the fiscal year ending June 30, 2016, and not to exceed Five Million Dollars ($5,000,000.00) for the fiscal year ending June 30, 2017. Any amount of revenue in excess of Five Million Dollars ($5,000,000.00) for each fiscal year shall remain in the fund; and

2. The Workers' Compensation Court of Existing Claims Revolving Fund forty percent (40%) of the monies collected pursuant to the provisions of this section, but not to exceed Four Million Dollars ($4,000,000.00) for the fiscal year ending June 30, 2016, and not to exceed Four Million Dollars ($4,000,000.00) for the fiscal year ending June 30, 2017. Any amount of revenue in excess of Four Million Dollars ($4,000,000.00) for each fiscal year shall remain in the fund.

F. The refund provisions of Sections 227 through 229 of Title 68 of the Oklahoma Statutes shall be applicable to any payments made pursuant to this section.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 28-1 of Title 85A, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Workers' Compensation Commission to be designated the "Workers' Compensation Commission Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Workers' Compensation Commission from the revenues apportioned pursuant to Section 122 of Title 85A of the Oklahoma Statutes and such other sources as may be provided by law. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Workers' Compensation Commission for the purpose of funding the operations of the Commission and administering the Administrative Workers' Compensation Act and for any other purposes related to the Administrative Workers' Compensation Act that the Commission deems appropriate. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 4. AMENDATORY Section 1, Chapter 360, O.S.L. 2014 (85A O.S. Supp. 2014, Section 401), is amended to read as follows:

Section 401. There is hereby created in the State Treasury a revolving fund for the Workers' Compensation Court of Existing Claims to be designated the "Workers' Compensation Court of Existing Claims Revolving Fund". The fund shall be a continuing fund, not

subject to fiscal year limitations, and shall consist of all monies received by the Workers' Compensation Court of Existing Claims from all fees, penalties and fines imposed by the Workers' Compensation Court of Existing Claims or its Administrator and from revenues apportioned pursuant to Section 122 of this title. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Workers' Compensation Court of Existing Claims for the purpose of defraying necessary expenses of the Workers' Compensation Court of Existing Claims in performance of its duties. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

~~SECTION 5. This act shall become effective July 1, 2015.~~

~~SECTION 6. 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.~~

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
April 8, 2015 - DO PASS AS AMENDED