

BILL SUMMARY
1st Session of the 55th Legislature

Bill No.:	HB2238
Version:	CS
Request Number:	
Author:	Rep. Sears
Date:	5/13/2015
Impact:	See Below

Research Analysis

Please see previous summary of this measure.

Prepared By: Marcia Goff

Fiscal Analysis

The Oklahoma Tax Commission provided the following analysis:

Section One

- Proposes to amend 85A O.S. § 28 by deleting obsolete language. Section One also changes the Workers' Compensation Fund to the Workers' Compensation Revolving Fund.

Section Two

- Proposes to amend 85A O.S. § 122 by deleting obsolete language. Section Two also changes the Workers' Compensation Fund to the Workers' Compensation Revolving Fund.
- Proposes to add the Workers' Compensation Administration Fund and the Multiple Injury Trust Fund to the list of funds that receive monies from the one percent (1%) and two percent (2%) Workers' Compensation Insurance Premium Taxes.
- Strikes the monthly apportionment to the General Revenue Fund of all monies collected pursuant to § 122.
- Proposes that all monies collected pursuant to § 122 be apportioned to the Multiple Injury Trust Fund less the annual amount dispersed to the below funds:

Workers' Compensation Commission Revolving Fund

- For Fiscal Year 2016, \$5,000,000 shall be deposited to the Workers' Compensation Commission Revolving Fund. For Fiscal Year 2017 and all subsequent years, \$2,000,000 shall be deposited to the Workers' Compensation Commission Revolving Fund.

Workers' Compensation Court of Existing Claims

- For Fiscal Year 2016, \$4,000,000 shall be deposited to the Workers' Compensation Administration Fund for the credit of the Workers' Compensation Court of Existing Claims. For Fiscal Year 2017, \$2,000,000 shall be deposited. For Fiscal Year 2018, \$1,500,000 shall be deposited. For Fiscal Year 2019 and 2020, \$1,000,000 shall be deposited for the credit of the Workers' Compensation Court of Existing Claims.

Section Three

- Proposes to establish a revolving fund for the Workers' Compensation Commission

to be designated as the Workers' Compensation Commission Revolving Fund

Section Four

- Proposes to establish a revolving fund for the Workers' Compensation Court of Existing Claims to be designated as the Workers' Compensation Administration Fund.

Section Five

- Proposes to amend 85A O.S. § 31 by striking the deposits to the State Treasurer for the credit of the Department of Labor (\$1,275,000), Office of the Attorney General (\$637,500), and the Oklahoma Department of Career and Technology Education (\$637,500) from monies deposited to the Multiple Injury Trust Fund.

Section Six

- Proposes to amend 68 O.S. § 6101 by changing the OTC rebates received from assessments paid pursuant to 85A O.S. § 31 from a rebate equaled to two-thirds (2/3) of the amount of assessment paid to one-third (1/3) of the amount of the assessment paid. The money to pay for the rebates comes from individual income tax collections.

Fiscal Impact for Fiscal Year 2016:

- Currently, all monies collected pursuant to § 122 are apportioned to the General Revenue Fund. With the proposed legislation, the Multiple Injury Trust Fund would receive an estimated \$1,263,000. This amount is derived from the estimated amount that will be received from the one percent (1%) and two percent (2%) Workers' Compensation Insurance Premium Taxes for Fiscal Year 2016, \$10,263,000,¹ less the \$5,000,000 that will be apportioned to the Workers' Compensation Commission Revolving Fund and the \$4,000,000 that will be apportioned to the Workers' Compensation Court of Existing Claims. This will result in an estimated decrease of \$10,263,000 to the General Revenue Fund.
- The Multiple Injury Trust Fund would also receive an additional \$2,550,000 from the amendments to § 31.
- The current rebate equaled to two-thirds (2/3) of the amount of the assessment paid pursuant to 68 O.S. § 6101 is estimated at \$37,887,000² for Fiscal Year 2016. Since the proposed legislation decreases the two-thirds (2/3) rebate by half to one-third (1/3) of the amount of the assessment paid, there would be an estimated \$18,943,500 increase to individual income tax collections.
- The estimated increase to individual income tax collections would be dispersed as follows:

Ad Valorem Reimbursement Fund:	\$189,435
Oklahoma Teacher Retirement Fund:	\$947,175
1017 Fund:	\$1,579,888
General Revenue Fund:	\$16,227,002

¹ Oklahoma Tax Commission – Revenue Forecast for FY 16 issued February 12, 2015.

² Oklahoma Tax Commission – Revenue Forecast for FY 16 issued February 12, 2015.

Estimated Net Revenue Impact:

\$1,275,000 decrease to the Department of Labor.

\$637,500 decrease to Office of the Attorney General.

\$637,500 decrease to Oklahoma Department of Career and Technology Education Fund.

\$3,813,000 increase to the Multiple Injury Trust Fund.³

\$5,000,000 increase to the Workers' Compensation Commission Revolving Fund.

\$4,000,000 increase to the credit of the Workers' Compensation Court of Existing Claims.

\$189,000 increase to Ad Valorem Reimbursement Fund.

\$947,000 increase to Oklahoma Teacher Retirement Fund.

\$1,580,000 increase to 1017 Fund.

\$5,964,000 increase to the General Revenue Fund.⁴

Prepared By: Joshua Maxey

Other Considerations

None.

© 2015 Oklahoma House of Representatives, see Copyright Notice at www.okhouse.gov

³ The estimated \$3,813,000 increase to the Multiple Injury Trust Fund is a result of striking the current \$2,550,000 deduction from the Fund pursuant to the amendments of § 31 and the \$1,263,000 increase to the Fund in relation to the amendments of § 122.

⁴ The estimated increase of \$5,964,002 to the General Revenue Fund is a result of the \$16,227,002 increase to the General Revenue Fund pursuant to the amendments of § 6101 less the \$10,263,000 decrease to the General Revenue Fund in accordance with the amendments to § 122.