

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 HOUSE BILL 3924

By: Wallace

7 AS INTRODUCED

8 **[state revenue administration - motor vehicles -**
9 **administration of various state taxes - Self-**
10 **Insurance Guaranty Fund - effective date -**
11 **emergency]**

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

15 SECTION 1. AMENDATORY 47 O.S. 2011, Section 1107.2, is
16 amended to read as follows:

17 Section 1107.2 A transferor of any of the following vehicles
18 shall not be required to execute an odometer disclosure statement;

19 1. A vehicle having a gross vehicle weight rating of more than
20 sixteen thousand (16,000) pounds;

21 2. A vehicle that is not self-propelled;

22 3. A vehicle that is ~~ten (10)~~ twenty (20) years old or older;

23 4. A vehicle sold directly by the manufacturer to any agency of
24 the United States in conformity with contractual specifications;

1 5. An all-terrain vehicle;

2 6. A motorcycle used exclusively off-road;

3 7. A new motor vehicle prior to its transfer to the first
4 retail purchaser; or

5 8. A utility vehicle.

6 SECTION 2. AMENDATORY 47 O.S. 2011, Section 1140, as
7 last amended by Section 2, Chapter 195, O.S.L. 2019 (47 O.S. Supp.
8 2019, Section 1140), is amended to read as follows:

9 Section 1140. A. The Oklahoma Tax Commission shall adopt rules
10 prescribing minimum qualifications and requirements for locating
11 motor license agencies and for persons applying for appointment as a
12 motor license agent. Such qualifications and requirements shall
13 include, but not be limited to, the following:

14 1. Necessary job skills and experience;

15 2. Minimum office hours;

16 3. Provision for sufficient staffing, equipment, office space
17 and parking to provide maximum efficiency and maximum convenience to
18 the public;

19 4. Obtainment of a faithful performance surety bond as provided
20 for by law;

21 5. In counties with a population in excess of thirty thousand
22 (30,000) persons according to the latest Federal Decennial Census, a
23 requirement that operation of a motor license agency be the primary
24 source of income for the agent;

1 6. That the applicant has not been convicted of a felony and
2 that no felony charges are pending against the applicant;

3 7. That a complete financial statement be submitted by the
4 applicant on forms provided by the Tax Commission;

5 8. That a report of the applicant's credit history be obtained
6 through the appropriate credit bureau; and

7 9. That the location specified in the application for
8 appointment as a motor license agent not be owned by a member of the
9 Oklahoma Tax Commission or an employee of the Oklahoma Tax
10 Commission or any person related to a member of the Oklahoma Tax
11 Commission or an employee of the Tax Commission within the third
12 degree by consanguinity or affinity and that the location not be
13 within a three-mile radius of an existing motor license agency
14 unless the applicant is assuming the location of an operating
15 agency. If the applicant is assuming the location of an existing or
16 operating agency, the current agent may submit a letter of
17 resignation contingent upon the appointment of the applicant
18 regardless of the population of the municipality in which the agency
19 is located. The Tax Commission may, at its discretion, approve the
20 relocation of an existing agency within a three-mile radius of
21 another existing agency only if a naturally intervening geographic
22 barrier within that radius causes the locations to be separated by
23 not less than three (3) miles of roadway by the most direct route.
24

1 B. After the necessary information has been forwarded to the
2 Tax Commission, the Tax Commission or its designees may select
3 applicants to be interviewed and each item of information shall be
4 reviewed.

5 Any person making application to the Tax Commission for the
6 purpose of becoming a motor license agent shall pay when submitting
7 the application, a nonrefundable application fee of One Hundred
8 Dollars (\$100.00). All such application fees shall be deposited in
9 the Oklahoma Tax Commission Revolving Fund.

10 C. Upon application by a person to serve as a motor license
11 agent, in such counties, the Tax Commission is authorized to make a
12 determination whether such person and such location meets the
13 qualifications and requirements prescribed herein and, if such be
14 the case, may appoint such person to serve as a motor license agent.

15 D. A motor license agent, appointed pursuant to this
16 subsection, shall be permitted to operate a motor license agency at
17 a single location and shall be prohibited from operating subagencies
18 or branch agencies.

19 Motor license agents appointed pursuant to this section shall be
20 subject to all laws relating to motor license agents and shall be
21 subject to removal at the will of the Tax Commission.

22 The Tax Commission shall appoint as many motor license agents as
23 it deems necessary to carry out the provisions of the Motor Vehicle
24 License and Registration Act. Provided, that in counties with a

1 population in excess of twenty-five thousand (25,000) persons,
2 according to the latest Federal Decennial Census, having only one
3 motor license agent serving the county, the Tax Commission ~~shall~~ may
4 establish at least one additional agency to serve the county.

5 E. All motor license agents shall be self-employed independent
6 contractors and shall be under the supervision of the Tax
7 Commission; provided, any agent authorized to issue registrations
8 pursuant to the International Registration Plan shall also be under
9 the supervision of the Corporation Commission, subject to rules
10 promulgated by the Corporation Commission pursuant to the provisions
11 of subsection E of Section 1166 of this title. Any such agent, upon
12 being appointed, shall furnish and file with the Tax Commission a
13 bond in such amount as may be fixed by the Tax Commission. Such
14 agent shall be removable at the will of the Tax Commission. Such
15 agent shall perform all duties and do such things in the
16 administration of the laws of this state as shall be enjoined upon
17 and required by the Tax Commission or the Corporation Commission.
18 Provided, the Tax Commission may operate a motor license agency in
19 any county where a vacancy occurs.

20 F. In the event of a vacancy existing by reason of resignation,
21 removal, death or otherwise, in the position of any motor license
22 agent, the Tax Commission is hereby empowered and authorized to take
23 any and all actions it deems appropriate in order to provide for the
24 orderly transition and for the maintenance of operations of the

1 motor license agency including but not limited to the designation of
2 one of its regular employees to serve as "acting agent" without
3 bond, and to receive and expend all fees or charges authorized or
4 provided by law and exercise the same powers and authority as a
5 regularly appointed motor license agent. An acting agent may be
6 authorized by the Tax Commission equally as the preceding agent to
7 make disbursements from any balances in the preceding motor license
8 agent's operating account and the agent's operating funds for the
9 payment of expenses of operations and salaries and other overhead.
10 If such funds are insufficient, the Tax Commission is authorized to
11 expend from funds appropriated for the operation of the Tax
12 Commission such amounts as are necessary to maintain and continue
13 the operation of any such motor license agency until a successor
14 agent is appointed and qualified. The Tax Commission may require a
15 blanket fiduciary bond of the agency employees.

16 G. Any motor license agency operated by a motor license agent
17 who has been charged with a felony shall be closed immediately. The
18 Tax Commission shall determine whether the motor license agency
19 shall be reopened and operated by the motor license agent. The
20 determination shall be effected as soon as possible to prevent
21 additional inconvenience to the public.

22 H. When an application for registration is made with the Tax
23 Commission, Corporation Commission or a motor license agent, a
24 registration fee of One Dollar and seventy-five cents (\$1.75) shall

1 be collected for each license plate or decal issued. Such fees
2 shall be in addition to the registration fees on motor vehicles and
3 when an application for registration is made to the motor license
4 agent such motor license agent shall retain a fee as provided in
5 Section 1141.1 of this title. When the fee is paid by a person
6 making application directly with the Tax Commission or Corporation
7 Commission, as applicable, the registration fees shall be in the
8 same amount as provided for motor license agents and the fee
9 provided by Section 1141.1 of this title shall be deposited in the
10 Oklahoma Tax Commission Revolving Fund or as provided in Section
11 1167 of this title, as applicable. The Tax Commission shall prepare
12 schedules of registration fees and charges for titles which shall
13 include the fees for such agents and all fees and charges paid by a
14 person shall be listed separately on the application and
15 registration and totaled on the application and registration. The
16 motor license agents shall charge only such fees as are specifically
17 provided for by law, and all such authorized fees shall be posted in
18 such a manner that any person shall have notice of all fees that are
19 imposed by law.

20 I. No person shall be appointed as a motor license agent unless
21 the person has attested under oath that the person is not related by
22 affinity or consanguinity within the third degree to:

- 23 1. Any member of the Oklahoma Tax Commission; or
- 24 2. Any employee of the Tax Commission.

1 J. Any motor license agent appointed under the provisions of
2 this title shall be responsible for all costs incurred by the Tax
3 Commission when relocating an existing motor license agency. The
4 Tax Commission may waive payment of such costs in case of unforeseen
5 business or emergency conditions beyond the control of the agent.

6 SECTION 3. AMENDATORY 47 O.S. 2011, Section 1141.1, as
7 amended by Section 4, Chapter 158, O.S.L. 2012 (47 O.S. Supp. 2019,
8 Section 1141.1), is amended to read as follows:

9 Section 1141.1 A. Each motor license agent shall be entitled
10 to retain the following amounts from the taxes and fees collected by
11 such agent to be used to fund the operation of the office of such
12 motor license agent subject to the provisions of Sections 1140
13 through 1147 of this title:

14 1. Beginning July 1, 2005, Two Dollars and eighty-one cents
15 (\$2.81) for each vehicle registered and for each special license
16 plate issued pursuant to the Oklahoma Vehicle License and
17 Registration Act. Beginning July 1, 2006, and thereafter, Three
18 Dollars and fifty-six cents (\$3.56) for each vehicle registered and
19 for each special license plate issued pursuant to the Oklahoma
20 Vehicle License and Registration Act;

21 2. One Dollar and twenty-five cents (\$1.25) for each
22 certificate of title issued for boats and motors pursuant to the
23 Oklahoma Statutes;

1 3. For each certificate of registration issued for boats and
2 motors pursuant to the Oklahoma Statutes, an amount determined
3 pursuant to the provisions of subsection B of this section;

4 4. Two Dollars and twenty-five cents (\$2.25) for each
5 certificate of title issued pursuant to the Oklahoma Vehicle License
6 and Registration Act. Provided, the fee retention amount for
7 certificates of title issued pursuant to the provisions of
8 subsection H of Section 1105 of this title, in which an insurer pays
9 the optional twenty-two-dollar-fee amount, is Four Dollars and fifty
10 cents (\$4.50);

11 5. Beginning October 1, 2000, three percent (3%) of the vehicle
12 excise tax collected pursuant to Section 2103 of Title 68 of the
13 Oklahoma Statutes. Beginning July 1, 2001, each motor license agent
14 shall be entitled to retain three and one hundred twenty-five one-
15 thousandths percent (3.125%) of the vehicle excise tax collected
16 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.
17 Beginning July 1, 2002, and for all subsequent years, each motor
18 license agent shall be entitled to retain three and twenty-five one-
19 hundredths percent (3.25%) of the vehicle excise tax collected
20 pursuant to Section 2103 of Title 68 of the Oklahoma Statutes.
21 However, beginning July 1, 2003, the Legislature shall annually
22 review the percentage to be retained by the motor license agents
23 pursuant to this paragraph to determine whether such percentage
24 should be adjusted;

1 6. Four percent (4%) of the excise tax collected on the
2 transfer of boats and motors pursuant to the Oklahoma Statutes;

3 7. Two Dollars (\$2.00) for each driver license, endorsement,
4 identification license, or renewal or duplicate issued pursuant to
5 Section 6-101 et seq. of this title;

6 8. Two Dollars (\$2.00) for the recording of security interests
7 as provided in Section 1110 of this title;

8 9. Two Dollars (\$2.00) for each inspection conducted pursuant
9 to subsection L of Section 1105 of this title;

10 10. Three Dollars (\$3.00) for each inspection conducted
11 pursuant to subsection M of Section 1105 of this title;

12 11. One Dollar (\$1.00) for each certificate of ownership filed
13 pursuant to subsection R of Section 1105 of this title;

14 12. One Dollar (\$1.00) for each temporary permit issued
15 pursuant to Section 1124 of this title;

16 13. Except for registration renewal transactions completed
17 through an online system dealing with the Oklahoma Vehicle License
18 and Registration Act, One Dollar and fifty cents (\$1.50) for
19 processing each proof of financial responsibility, driver license
20 information, insurance verification information, and other
21 additional information as provided in Section 7-602 of this title;

22 14. The mailing fees and registration fees provided in Sections
23 1131 and 1140 of this title;

24 15. The notary fee provided in Section 1143 of this title;

1 16. Three Dollars (\$3.00) for each lien entry form completed
2 and recorded on a certificate of title pursuant to subsection G of
3 Section 1105 of this title;

4 17. Seven Dollars (\$7.00) for each notice of transfer as
5 provided by subsection B of Section 1107.4 of this title;

6 18. Seven Dollars (\$7.00) for each certificate of title or each
7 certificate of registration issued for repossessed vehicles pursuant
8 to Section 1126 of this title;

9 19. Any amount specifically authorized by law to be retained by
10 the motor license agent for the furnishing of a summary of a traffic
11 record; and

12 20. Beginning July 1, 2009, each motor license agent shall also
13 be entitled to a portion of the penalties for delinquent
14 registration or payment of excise tax as provided for in subsection
15 C of Section 1115, subsection F of Section 1132 and subsection C of
16 Section 1151 of this title and of subsection A of Section 2103 of
17 Title 68 of the Oklahoma Statutes.

18 The balance of the funds collected shall be remitted to the
19 Oklahoma Tax Commission as provided in Section 1142 of this title to
20 be apportioned pursuant to Section 1104 of this title.

21 B. For each certificate of registration issued for boats and
22 motors, each motor license agent shall be entitled to retain the
23 greater of One Dollar and twenty-five cents (\$1.25) or an amount to
24 be determined by the Tax Commission according to the provisions of

1 this subsection. At the end of fiscal year 1997 and each fiscal
2 year thereafter, the Tax Commission shall compute the average amount
3 of registration fees for all boats and motors registered in this
4 state during the fiscal year and shall multiply the result by six
5 and twenty-two one-hundredths percent (6.22%). The resulting
6 product shall be the amount which may be retained by each motor
7 license agent for each certificate of registration for boats and
8 motors issued during the following calendar year.

9 SECTION 4. AMENDATORY 47 O.S. 2011, Section 7-602, as
10 last amended by Section 3, Chapter 74, O.S.L. 2017 (47 O.S. Supp.
11 2019, Section 7-602), is amended to read as follows:

12 Section 7-602. A. 1. The owner of a motor vehicle registered
13 in this state shall carry in the vehicle at all times a current
14 owner's security verification form listing the vehicle or an
15 equivalent form which has been issued by the Department of Public
16 Safety, and the operator of the vehicle shall produce the form upon
17 request for inspection by any law enforcement officer or
18 representative of the Department and, in case of an accident, the
19 form shall be shown upon request to any person affected by the
20 accident.

21 2. a. Every person registering a motor vehicle in this
22 state, except a motor vehicle which is not being used
23 upon the public highways or public streets, or a
24 manufactured home while on a permanent foundation, at

1 the time of registration of the vehicle, shall certify
2 the existence of security with respect to the vehicle
3 by providing to a motor license agent or other
4 registering agency necessary information from the
5 current owner's security verification in a manner that
6 allows verification of coverage through the online
7 verification system. The information shall include
8 the name or number issued by the National Association
9 of Insurance Commissioners of the current insurance
10 carrier authorized to do business in this state and
11 the policy number applicable to the vehicle being
12 registered. A motor license agent or other
13 registering agency shall require the submission of the
14 form or other verifying information prior to
15 processing an application for registration or renewal.

- 16 b. Every motor license agent or other registering agency
17 shall use the online verification system to certify
18 the existence of security with respect to the vehicle
19 from an insurance carrier authorized to do business in
20 this state unless the online verification system is
21 not online or the required information is otherwise
22 not available. In such a case, the license agent or
23 other registering agency may accept verification as
24 provided in subparagraph a of this paragraph or from a

1 licensed insurance producer or customer service
2 representative to certify the existence of the
3 required insurance prior to processing any application
4 for motor vehicle registration. Every motor license
5 agent or other registering agent shall allow
6 submission of proof from a licensed insurance producer
7 or customer service representative pursuant to this
8 subparagraph via electronic mail at no additional cost
9 to the person registering the vehicle.

10 3. Fleet vehicles operating under the authority of the
11 Corporation Commission, the Federal Highway Administration, or
12 vehicles registered pursuant to the provisions of Section 1120 of
13 this title, shall certify the existence of security with respect to
14 each vehicle at the time of registration by submitting one of the
15 following:

- 16 a. a current owner's security verification form verifying
17 the existence of security as required by the
18 Compulsory Insurance Law, or
- 19 b. a permit number verified by the Corporation Commission
20 indicating the existence of a current liability
21 insurance policy. Provided, in the event the
22 Corporation Commission is unable to verify the
23 existence of insurance as provided herein in a prompt
24 and timely fashion, the Corporation Commission may

1 accept a current single state registration form issued
2 by the Corporation Commission or any other regulating
3 entity with which the Corporation Commission has
4 entered into a reciprocal compact or agreement
5 regarding the regulation of motor vehicles engaged in
6 interstate or foreign commerce upon and over the
7 public highways.

8 4. The following shall not be required to carry an owner's or
9 operator's security verification form or an equivalent form from the
10 Department of Public Safety during operation of the vehicle and
11 shall not be required to surrender a security verification form for
12 vehicle registration purposes:

- 13 a. any vehicle owned or leased by the federal or state
14 government, or any agency or political subdivision
15 thereof,
- 16 b. any vehicle bearing the name, symbol, or logo of a
17 business, corporation or utility on the exterior and
18 which is in compliance with the provisions of the
19 Compulsory Insurance Law according to records of the
20 Corporation Commission which reflect a deposit or
21 fleet policy,
- 22 c. fleet vehicles maintaining current vehicle liability
23 insurance as required by the Corporation Commission or
24 any other regulating entity,

1 d. any licensed taxicab, and

2 e. any vehicle owned by a licensed used motor vehicle
3 dealer.

4 5. Any person who knowingly issues or promulgates false or
5 fraudulent information in connection with either an owner's or
6 operator's security verification form or an equivalent form which
7 has been issued by the Department of Public Safety shall be guilty
8 of a misdemeanor and upon conviction shall be subject to a fine not
9 exceeding Five Hundred Dollars (\$500.00), or imprisonment for not
10 more than six (6) months, or by both such fine and imprisonment.

11 B. ~~Each~~ Except for registration renewal transactions completed
12 through an online system dealing with the Oklahoma Vehicle License
13 and Registration Act, each motor license agent is authorized to
14 charge a fee of One Dollar and fifty cents (\$1.50) to each person to
15 whom the agent issues a certificate of registration and who is
16 required to surrender proof of financial responsibility, or for whom
17 the motor license agent certifies the existence of financial
18 responsibility through an authorized online certification system,
19 pursuant to the provisions of the Compulsory Insurance Law. The fee
20 may be retained by the agent as compensation for services in
21 processing the proof of financial responsibility and for processing
22 the driver license information, insurance verification information,
23 and other additional information furnished to the agent pursuant to
24

1 Section 1112 of this title, if such agent does not receive the
2 maximum compensation as authorized by law.

3 SECTION 5. AMENDATORY 62 O.S. 2011, Section 845, is
4 amended to read as follows:

5 Section 845. There is hereby created within the State Treasury
6 ~~a special fund~~ an agency special account for the Oklahoma Tax
7 Commission ~~to be designated the "Oklahoma Local Development and~~
8 ~~Enterprise Zone Incentive Leverage Act Incentive Payment Fund".~~ The
9 Oklahoma Tax Commission is hereby authorized and directed to
10 withhold a portion of the taxes levied and collected pursuant to
11 Section 2355 of Title 68 of the Oklahoma Statutes for deposit into
12 the ~~fund~~ account in order to pay claims as they become due. All of
13 the amounts deposited in such ~~fund~~ account shall be used and
14 expended by the Tax Commission solely for the purposes and in the
15 amounts authorized by the Oklahoma Local Development and Enterprise
16 Zone Incentive Leverage Act. ~~The liability of the State of Oklahoma~~
17 ~~to make the incentive payments under this act shall be limited to~~
18 ~~the balance contained in the fund created by this section.~~

19 SECTION 6. AMENDATORY 68 O.S. 2011, Section 227, as last
20 amended by Section 1, Chapter 358, O.S.L. 2016 (68 O.S. Supp. 2019,
21 Section 227), is amended to read as follows:

22 Section 227. (a) ~~Any~~ Except as provided in subsection B of
23 Section 1361.2 of this title, any taxpayer who has paid to the State
24 of Oklahoma, through error of fact, or computation, or

1 misinterpretation of law, any tax collected by the Tax Commission
2 may, as hereinafter provided, be refunded the amount of such tax so
3 erroneously paid, without interest.

4 (b) (1) Except as otherwise provided by division (2) of this
5 subsection, any taxpayer who has so paid any such tax may, within
6 three (3) years from the date of payment thereof file with the Tax
7 Commission a verified claim for refund of such tax so erroneously
8 paid. The Tax Commission may accept an amended withholding tax or
9 other report or return as a verified claim for refund if the amended
10 report or return establishes a liability less than the original
11 report or return previously filed.

12 (2) Upon the effective date of this act, with respect to the
13 sales tax imposed by Section 1354 of this title and with respect to
14 the use tax imposed by Section 1402 of this title, any taxpayer who
15 has so paid such sales or use tax may, within two (2) years from the
16 date of payment thereof file with the Tax Commission a verified
17 claim for refund of such tax so erroneously paid. The Tax
18 Commission may accept an amended sales or use tax report or return
19 as a verified claim for refund if the amended report or return
20 establishes a liability less than the original report or return
21 previously filed.

22 (c) Said claim so filed with the Tax Commission, except for an
23 amended report or return, shall specify the name of the taxpayer,
24 the time when and period for which said tax was paid, the nature and

1 kind of tax so paid, the amount of the tax which said taxpayer
2 claimed was erroneously paid, the grounds upon which a refund is
3 sought, and such other information or data relative to such payment
4 as may be necessary to an adjustment thereof by the Tax Commission.
5 It shall be the duty of the Commission to determine what amount of
6 refund, if any, is due as soon as practicable after such claim has
7 been filed and advise the taxpayer about the correctness of his
8 claim and the claim for refund shall be approved or denied by
9 written notice to the taxpayer.

10 (d) If the claim for refund is denied, the taxpayer may file a
11 demand for hearing with the Commission. The demand for hearing must
12 be filed on or before the sixtieth day after the date the notice of
13 denial was mailed. If the taxpayer fails to file a demand for
14 hearing, the claim for refund shall be barred.

15 (e) Upon the taxpayer's timely filing of a demand for hearing,
16 the Commission shall set a date for hearing upon the claim for
17 refund which date shall not be later than sixty (60) days from the
18 date the demand for hearing was mailed. The taxpayer shall be
19 notified of the time and place of the hearing. The hearing may be
20 held after the sixty-day period provided by this subsection upon
21 agreement of the taxpayer.

22 (f) The provisions of this section shall not apply: (1) to
23 refunds of income tax erroneously paid, refunds of which tax shall
24 be payable out of the income tax adjustment fund as provided by law;

1 (2) to estate tax because the payment of such tax is covered by an
2 order of the Tax Commission and the estate and interested parties
3 are given notice that Commission's position and computation of the
4 tax will become final unless they protest and resist the payment
5 thereof as provided by statute; nor, (3) in any case where the tax
6 was paid after an assessment thereof was made by the Tax Commission
7 which assessment became final under the law.

8 SECTION 7. AMENDATORY 68 O.S. 2011, Section 253, as
9 amended by Section 1, Chapter 273, O.S.L. 2014 (68 O.S. Supp. 2019,
10 Section 253), is amended to read as follows:

11 Section 253. A. When the Oklahoma Tax Commission files a
12 proposed assessment against corporations, limited liability
13 companies or other legal entities for unpaid sales taxes, mixed
14 beverage gross receipts tax collected pursuant to Section 5-105 of
15 Title 37A of the Oklahoma Statutes, withheld income taxes or motor
16 fuel taxes collected pursuant to Article 5, 6 or 7 of this title,
17 the Commission shall file such proposed assessments against the
18 individuals personally liable for the tax.

19 B. Any individual shall be liable for the payment of sales tax,
20 mixed beverage gross receipts tax, withheld income tax or motor fuel
21 tax if, during the period of time for which the assessment was made,
22 the individual was responsible for withholding or collection and
23 remittance of taxes or had direct control, supervision or
24

1 responsibility for filing returns and making payments of the tax due
2 the State of Oklahoma.

3 C. Personal liability for sales tax, mixed beverage gross
4 receipts tax, withheld income tax or motor fuel tax shall be
5 determined in accordance with the standards for determining
6 liability for payment of federal withholding tax pursuant to the
7 Internal Revenue Code of 1986, as amended, or regulations
8 promulgated pursuant to such section.

9 SECTION 8. AMENDATORY 68 O.S. 2011, Section 1361.2, is
10 amended to read as follows:

11 Section 1361.2 A. In order to claim the exemption authorized
12 by paragraph 34 of Section 1357 of Title 68 of the Oklahoma
13 Statutes, the person to whom the sale is made shall be required to
14 furnish the vendor proof of eligibility for the exemption as issued
15 by the Oklahoma Tax Commission. All vendors shall honor the proof
16 of eligibility for sales tax exemption and sales for the benefit of
17 the disabled veteran to a person providing such proof shall be
18 exempt from the tax levied pursuant to the Oklahoma Sales Tax Code.

19 B. A claim for refund of sales taxes erroneously paid may only
20 be made under circumstances where the vendor refuses to honor the
21 proof of eligibility issued by the Tax Commission for the exemption
22 authorized by paragraph 34 of Section 1357 of this title and the
23 person eligible for such exemption submits to the Tax Commission a
24

1 signed notification of the vendor's denial of exemption on a form
2 prescribed by the Tax Commission.

3 SECTION 9. AMENDATORY 68 O.S. 2011, Section 1501, is
4 amended to read as follows:

5 Section 1501. As used in Sections 1501 through 1512 of this
6 title:

7 1. "Person" means any individual, partnership, association,
8 limited liability company or corporation;

9 2. "Music device" means any and all mechanical devices which
10 render, cause to sound, or release music where the same may be heard
11 by one or more public patrons, and each separate loudspeaker,
12 phonograph, juke box, or outlet from which such music emits shall
13 each be construed to be a separate "music device" as herein defined;
14 except in the case where the music emits from more than one speaker
15 transmitting from the same music-producing mechanism, in which case
16 the several outlets or speakers in each place of business shall be
17 collectively considered one such music device;

18 3. "Coin-operated music device" means any such music device
19 which is operated, motivated, released, or played by or upon the
20 payment or insertion of a coin, token or similar object, whether
21 there is one or more boxes or devices in the premises for the
22 reception of such coin, tokens, or similar objects; coin-operated
23 radio or television receiving sets in hotels, motels, or tourist
24 cabins for the use and benefit of the guests and visitors of such

1 hotels, motels, or tourist rooms or cabins shall be included in such
2 definition;

3 4. "Coin-operated amusement device" means any and all
4 nongambling mechanical or electronic machines which, upon the
5 payment or insertion of a coin, token, or similar object, provide
6 music, amusement or entertainment, including, but not limited to,
7 such games as pool, phonographs, video television, shooting
8 galleries, pinball, foosball, bowling, shuffle board, or any other
9 amusement device with or without a replay feature which can be
10 legally shipped interstate according to federal law;

11 5. "Coin-operated vending device" means any and all machines or
12 devices which, upon the payment or insertion of a coin, token or
13 similar object, dispenses tangible personal property, including but
14 not limited to cigarettes, candies, gum, cold drinks, hot drinks,
15 sandwiches, or chips. It shall not mean vending machines or devices
16 used exclusively for the purpose of selling services, such as pay
17 telephone booths, parking meters, gas and electric meters or other
18 distribution of needful service;

19 6. "Coin-operated bulk vending device" means a machine or
20 device which, upon the payment or insertion of a coin, token or
21 similar object dispenses to the purchaser ballpoint pens, combs,
22 cigarette lighters, prophylactics, filled capsules, peanuts, gum
23 balls, mints, perfume or novelties; and
24

1 7. "Coin-operated devices" means coin-operated music devices,
2 coin-operated amusement devices, coin-operated vending devices and
3 coin-operated bulk vending devices. Coin-operated devices shall not
4 include any device dispensing tangible personal property or
5 providing amusement where payment is made solely through the use of
6 a credit or debit card or other electronic or digital payment
7 process.

8 SECTION 10. AMENDATORY 68 O.S. 2011, Section 2385.16, is
9 amended to read as follows:

10 Section 2385.16 A. All payments received by the Oklahoma Tax
11 Commission transmitted by employers for taxes withheld from
12 employees and all payments received by the Tax Commission from
13 taxpayers as herein provided shall be deposited with the State
14 Treasurer in the Tax Commission's Official Depository Clearing
15 Account and be designated Income Tax Withholding Funds. These funds
16 shall be under the exclusive control of the Tax Commission. The Tax
17 Commission is empowered and directed each month to transfer the
18 amount thereof which the Tax Commission estimates to be necessary to
19 make tax refunds to a separate account designated as the Income Tax
20 Withholding Refund Account, and to make apportionments from such
21 funds remaining in said Official Depository Clearing Account, of the
22 amount it considers available for distribution as income taxes
23 collected. The Tax Commission shall maintain a balance in the
24 refund account sufficient to cover anticipated tax refunds.

1 All warrants drawn against such refund account as provided in
2 the preceding subsection which are not presented for payment within
3 ninety (90) days of issuance thereof shall be void.

4 Persons entitled to refunds of monies represented by warrants
5 which are not presented for payment within ninety (90) days from the
6 date of issuance thereof may file claims for refund at any time
7 within three (3) years from the due date of the return. Such claims
8 shall be filed and paid under the provisions of Section 2373 of this
9 Code, and if allowed shall be paid under the provisions of such
10 section. An income tax refund warrant which was not presented for
11 payment within ninety (90) days from the date of issuance or
12 reissued for a like amount up to three (3) years from the date of
13 issuance of the original warrant shall be subject to reporting and
14 remittance to the Oklahoma State Treasurer pursuant to the Uniform
15 Unclaimed Property Act.

16 B. Neither the Tax Commission nor any member or employee
17 thereof shall be held personally liable for making any refund by
18 reason of a fraudulent withholding certificate being used as a basis
19 for such refund.

20 C. The Oklahoma Tax Commission may use a direct deposit system
21 and card-based disbursement system in lieu of checks or warrants for
22 the purposes of issuing refunds for overpayment of individual income
23 taxes. Notwithstanding the provisions of Section 205 of this title,
24 the Tax Commission may enter into a contract with, and release

1 taxpayer information to, entities deemed to be qualified by the Tax
2 Commission to implement the card-based disbursement system. ~~The Tax~~
3 ~~Commission shall not release to any entity contracted with pursuant~~
4 ~~to this section the full social security number of taxpayers opting~~
5 ~~to receive a refund through the card-based disbursement system.~~

6 SECTION 11. AMENDATORY Section 5, Chapter 260, O.S.L.
7 2018 (68 O.S. Supp. 2019, Section 2947.1), is amended to read as
8 follows:

9 Section 2947.1 There is hereby created in the State Treasury a
10 ~~revolving fund for the Oklahoma Tax Commission to be designated the~~
11 ~~"County Government Education Technical Revolving Fund". The fund~~
12 ~~shall be a continuing fund, not subject to fiscal year limitations,~~
13 ~~and shall consist of all monies received by the Oklahoma Tax~~
14 ~~Commission from the apportionment of documentary stamp revenues as~~
15 ~~provided by Section 3204 of Title 68 of the Oklahoma Statutes. All~~
16 ~~monies accruing to the credit of said fund are hereby appropriated~~
17 ~~and may be budgeted and expended by the Oklahoma State University~~
18 ~~Center for Local Government Technology and the Oklahoma Cooperative~~
19 ~~Extension Service County Training Program for the purpose of~~
20 ~~education, training, research, software and computer modernization.~~
21 ~~The fund shall be subject to the oversight of the Commission on~~
22 ~~County Government Personnel Education and Training. Amounts~~
23 ~~deposited in any fiscal year shall be distributed by the Oklahoma~~
24 ~~Tax Commission as provided in Section 6 of this act. Expenditures~~

1 ~~from said fund shall be made upon warrants issued by the State~~
2 ~~Treasurer against claims filed as prescribed by law~~ an agency
3 special account for the Oklahoma Tax Commission for the collection
4 and distribution of documentary tax stamp revenues as provided in
5 Sections 2947.2 and 2947.3 of this title.

6 SECTION 12. AMENDATORY Section 6, Chapter 260, O.S.L.
7 2018 (68 O.S. Supp. 2019, Section 2947.2), is amended to read as
8 follows:

9 Section 2947.2 A. For the fiscal year ending June 30, ~~2020~~
10 2021, and for each fiscal year thereafter, ten percent (10%)
11 ~~deposited to the County Government Education Technical Revolving~~
12 ~~Fund in any fiscal year~~ shall be distributed by the Oklahoma Tax
13 Commission monthly to the Oklahoma Cooperative Extension Service for
14 duties imposed on the Extension Service pursuant to Sections 130.1
15 through 130.7 and Section 1500 of Title 19 of the Oklahoma Statutes
16 and Section 3006 of Title 68 of the Oklahoma Statutes.

17 B. For the fiscal year ending June 30, ~~2020~~ 2021, and for each
18 fiscal year thereafter, eighty-eight and five-tenths percent (88.5%)
19 ~~deposited to the County Government Education Technical Revolving~~
20 ~~Fund in any fiscal year~~ shall be distributed by the Oklahoma Tax
21 Commission monthly to the Oklahoma State University Center for Local
22 Government Technology for duties imposed pursuant to Sections 2816
23 and 2862 of Title 68 of the Oklahoma Statutes related to any
24 training, support, professional development, and additional software

1 necessary for county assessors, treasurers and boards of
2 equalization, and the acquisition and administration of a computer-
3 assisted mass appraisal software system for county governments;
4 provided, the Oklahoma State University Center for Local Government
5 Technology may delay the acquisition of such software until such
6 time as sufficient funds are available.

7 C. After the computer-assisted mass appraisal software
8 acquisition is complete and associated costs are paid, any county
9 which elects not to participate in the Oklahoma State University
10 Center for Local Government Technology's computer-assisted mass
11 appraisal software system may apply to the Center for Local
12 Government Technology for a refund up to ten percent (10%) of such
13 county's ~~deposit to the revolving fund annually~~ annual documentary
14 stamp tax revenue apportionment received by the Center for Local
15 Government Technology; provided, if available funds are insufficient
16 for a ten-percent rebate, the percentage shall be adjusted so that
17 rebates may be paid.

18 SECTION 13. AMENDATORY Section 7, Chapter 260, O.S.L.
19 2018 (68 O.S. Supp. 2019, Section 2947.3), is amended to read as
20 follows:

21 Section 2947.3 A. ~~Within the County Government Education-~~
22 ~~Technical Revolving Fund there shall be established a reserve~~
23 ~~account. The reserve account shall consist of any~~ Any revenue not
24 otherwise apportioned pursuant to the provisions of subsection A or

1 subsection B of Section ~~6~~ 2947.2 of this ~~act~~ title shall be
2 deposited and maintained in the agency special account created in
3 Section 2947.1 of this title under the procedures provided for in
4 this section.

5 B. The maximum balance for the ~~reserve~~ agency special account
6 shall never exceed Two Million Dollars (\$2,000,000.00) at the end of
7 each fiscal year.

8 C. The Oklahoma State University Center for Local Government
9 Technology and the Oklahoma Cooperative Extension Service County
10 Training Program may request permission to expend funds in the
11 reserve account from the Commission on County Government Personnel
12 Education and Training. The Tax Commission shall, upon written
13 notification of expenditure approval from the Commission on County
14 Government Personnel Education and Training, distribute from the
15 agency special account the approved amount, if available, to the
16 Oklahoma State University Center for Local Government Technology or
17 Oklahoma Cooperative Extension Service County Training Program, as
18 applicable.

19 D. The balance in the ~~reserve~~ agency special account ~~of the~~
20 ~~County Government Education-Technical Revolving Fund~~ shall serve as
21 a contingency for adverse conditions if the distributions provided
22 for in subsections A and B of Section ~~6~~ 2947.2 of this ~~act~~ title are
23 insufficient to support the purposes of education training,
24 research, software and computer modernization of county governments.

1 E. For any fiscal year ending June 30, the Oklahoma Tax
2 Commission shall transfer any amount of revenue in excess of Two
3 Million Dollars (\$2,000,000.00) remaining in the ~~reserve~~ agency
4 special account ~~of the County Government Education-Technical~~
5 ~~Revolving Fund~~ to the General Revenue Fund of the State Treasury.

6 SECTION 14. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 2947.4 of Title 68, unless there
8 is created a duplication in numbering, reads as follows:

9 On the effective date of this act, all monies remaining in the
10 County Government Education-Technical Revolving Fund created in
11 Section 2947.1 of Title 68 of the Oklahoma Statutes shall be
12 transferred to the agency special account created in Section 11 of
13 this act.

14 SECTION 15. AMENDATORY 68 O.S. 2011, Section 3204, as
15 amended by Section 4, Chapter 260, O.S.L. 2018 (68 O.S. Supp. 2019,
16 Section 3204), is amended to read as follows:

17 Section 3204. A. The Oklahoma Tax Commission shall design such
18 stamps in such denominations as in its judgment it deems necessary
19 for the administration of this tax. The Oklahoma Tax Commission
20 shall distribute the stamps to the county clerks of the counties of
21 this state, and the county clerks shall have the responsibility of
22 selling these stamps and shall have the further duty of accounting
23 for the stamps to the Oklahoma Tax Commission on the last day of
24 each month. Stamp metering machines or rubber stamps as prescribed

1 by the Oklahoma Tax Commission may be used by the county clerk, and
2 the expenses thereof shall be paid by the county concerned. The use
3 of meters or rubber stamps shall be governed by the Oklahoma Tax
4 Commission.

5 B. The county clerks shall account for all collections from the
6 sales of such stamps to the Oklahoma Tax Commission, on the last day
7 of each month. The first fifty-five cents (\$0.55) of each seventy-
8 five cents (\$0.75) collected shall be apportioned as follows:

9 1. The county clerks shall retain five percent (5%) of all
10 monies collected for such stamps as their cost of administration;
11 and

12 2. Of the remaining ninety-five percent (95%) the Oklahoma Tax
13 Commission shall ~~transfer monthly to the County Government~~
14 ~~Education-Technical Revolving Fund created by Section 5 of this act~~
15 distribute for the fiscal year ending June 30, ~~2020~~ 2021, and for
16 each fiscal year thereafter, Five Hundred Thousand Dollars
17 (\$500,000.00) plus three percent (3%) of the remainder as provided
18 in Sections 2947.2 and 2947.3 of this title. The remainder of the
19 collections shall be transferred by the Oklahoma Tax Commission to
20 the General Revenue Fund of the State Treasury to be expended
21 pursuant to legislative appropriation.

22 C. The remaining twenty cents (\$0.20) of each seventy-five
23 cents (\$0.75) collected shall be paid into the county general fund.

24

1 SECTION 16. AMENDATORY 68 O.S. 2011, Section 3624, as
2 last amended by Section 3, Chapter 313, O.S.L. 2019 (68 O.S. Supp.
3 2019, Section 3624), is amended to read as follows:

4 Section 3624. A. There is hereby created the Oklahoma Film
5 Enhancement Rebate Program. A rebate in the amount of up to
6 seventeen percent (17%) of documented expenditures made in Oklahoma
7 directly attributable to the production of a film, television
8 production, or television commercial, as defined in Section 3623 of
9 this title, in this state, may be paid to the production company
10 responsible for the production. Provided, for documented
11 expenditures made after July 1, 2009, the rebate amount shall be
12 thirty-five percent (35%), except as provided in subsection B of
13 this section.

14 B. The amount of rebate paid to the production company as
15 provided for in subsection A of this section shall be increased by
16 an additional two percent (2%) of documented expenditures if a
17 production company spends at least Twenty Thousand Dollars
18 (\$20,000.00) for the use of music created by an Oklahoma resident
19 that is recorded in Oklahoma or for the cost of recording songs or
20 music in Oklahoma for use in the production.

21 C. The rebate program shall be administered by the Office of
22 the Oklahoma Film and Music Commission and the Oklahoma Tax
23 Commission, as provided in the Compete with Canada Film Act.

24 D. To be eligible for a rebate payment:

1 1. The production company responsible for a film, television
2 production, or television commercial, as defined in Section 3623 of
3 this title, made in this state shall submit documentation to the
4 Office of the Oklahoma Film and Music Commission of the amount of
5 wages paid for employment in this state to residents of this state
6 directly relating to the production and the amount of other
7 production costs incurred in this state directly relating to the
8 production;

9 2. The production company has filed or will file any Oklahoma
10 tax return or tax document which may be required by law;

11 3. Except major studio productions, the production company
12 shall provide the name of the completion guarantor and a copy of the
13 bond guaranteeing the completion of the project or if a film has not
14 secured a completion bond, the production company shall provide
15 evidence that all Oklahoma crew and local vendors have been paid and
16 there are no liens against the production company pending in the
17 state;

18 4. The minimum budget for the film shall be Fifty Thousand
19 Dollars (\$50,000.00) of which not less than Twenty-five Thousand
20 Dollars (\$25,000.00) shall be expended in this state;

21 5. The production company shall provide evidence of financing
22 for production prior to the commencement of principal photography;
23 and
24

1 6. The production company shall provide evidence of a
2 certificate of general liability insurance with a minimum coverage
3 of One Million Dollars (\$1,000,000.00) and a workers' compensation
4 policy pursuant to state law, which shall include coverage of
5 employer's liability.

6 E. A production company shall not be eligible to receive both a
7 rebate payment pursuant to the provisions of this act and an
8 exemption from sales taxes pursuant to the provisions of paragraph
9 23 of Section 1357 of this title. If a production company has
10 received such an exemption from sales taxes and submits a claim for
11 rebate pursuant to the provisions of the Compete with Canada Film
12 Act, the company shall be required to fully repay the amount of the
13 exemption to the Tax Commission. A claim for a rebate shall include
14 documentation from the Tax Commission that repayment has been made
15 as required herein or shall include an affidavit from the production
16 company that the company has not received an exemption from sales
17 taxes pursuant to the provisions of paragraph 21 of Section 1357 of
18 this title.

19 F. The Office shall approve or disapprove all claims for rebate
20 and shall notify the Tax Commission. The Tax Commission shall, upon
21 notification of approval from the Office of the Film and Music
22 Commission, issue payment for all approved claims from funds in the
23 Oklahoma Film Enhancement Rebate Program Revolving Fund created in
24 Section 3625 of this title. Excluding any rebate payments to high

1 impact productions as provided for in subsection G of this section,
2 the amount of ~~payments~~ claims prequalified and approved by the
3 Office in any single fiscal year shall not exceed Eight Million
4 Dollars (\$8,000,000.00). If the amount of approved claims exceeds
5 the amount specified in this subsection in a fiscal year, payments
6 shall be made in the order in which the claims are approved by the
7 Office. If an approved claim is not paid in whole or in part, the
8 unpaid claim or unpaid portion may be paid in the following fiscal
9 year subject to the limitations specified in this subsection. The
10 liability of the State of Oklahoma to make the incentive payments
11 under this act shall be limited to the balance contained in the
12 Oklahoma Film Enhancement Rebate Program Revolving Fund.

13 G. 1. At the time the Office of the Film and Music Commission
14 issues a conditional prequalification for a production, such
15 prequalification may include a proposed designation as a high impact
16 production, as defined in Section 3623 of this title.

17 2. The proposed designation must be approved by the Cabinet
18 Secretary for Commerce and Tourism.

19 3. If the high impact production otherwise meets all of the
20 requirements of the Compete With Canada Act and the Office gives
21 final approval to rebate claims, such rebate claims shall not be
22 subject to the Eight Million Dollar (\$8,000,000.00) cap provided for
23 in subsection F of this section.
24

1 4. The payment of a rebate claim approved by the Office for a
2 production designated as a high impact production by the Cabinet
3 Secretary may be made as follows:

- 4 a. by special appropriation to the Oklahoma Film
5 Enhancement Rebate Program Revolving Fund, if the
6 claim is approved during a regular or special session
7 of the Oklahoma Legislature, or
8 b. by payment from the Oklahoma Quick Action Closing Fund
9 pursuant to Section 48.2 of Title 62 of the Oklahoma
10 ~~Statutes~~ Statutes, if the claim is approved when the
11 Oklahoma Legislature is not in session.

12 SECTION 17. AMENDATORY Section 98, Chapter 208, O.S.L.
13 2013, as last amended by Section 1, Chapter 164, O.S.L. 2019 (85A
14 O.S. Supp. 2019, Section 98), is amended to read as follows:

15 Section 98. The Self-insurance Guaranty Fund shall be derived
16 from the following sources:

17 1. Any unexpended funds, including interest thereon, held by
18 the State Treasurer in the Workers' Compensation Self-insurance
19 Guaranty Fund transferred to the Self-insurance Guaranty Fund as
20 provided in Section 124 of this title;

21 2. In the event the net fund balance falls below Seven Hundred
22 Fifty Thousand Dollars (\$750,000.00), the Workers' Compensation
23 Commission shall make an assessment against each private self-
24 insurer and group self-insurance association based on an assessment

1 rate to be determined by the commissioners, not exceeding two
2 percent (2%) per annum of actual paid losses of the self-insurer
3 during the preceding calendar year, payable to the Tax Commission
4 for deposit to the fund. The assessment against private self-
5 insurers shall be determined using a rate equal to the proportion
6 that the deficiency in the fund attributable to private self-
7 insurers bears to the actual paid losses of all private self-
8 insurers for the year period of January 1 through December 31
9 preceding the assessment. The assessment against group self-
10 insurance associations shall be determined using a rate equal to the
11 proportion that the deficiency in excess of the surplus of the Group
12 Self-Insurance Association Guaranty Fund at the date of the transfer
13 attributable to group self-insurance associations bears to the
14 actual paid losses of all group self-insurance associations
15 cumulatively for any calendar year preceding the assessment. Each
16 self-insurer shall provide the Workers' Compensation Commission with
17 such information as the Commission may determine is necessary to
18 effectuate the purposes of this paragraph. For purposes of this
19 paragraph, "actual paid losses" means all medical and indemnity
20 payments, including temporary disability, permanent disability, and
21 death benefits, and excluding loss adjustment expenses and reserves.

- 22 a. The assessment shall be paid within thirty (30)
23 calendar days after the date the commissioners notify
24 the self-insurer of the assessment.

- 1 b. A private employer or group self-insurance association
2 which ceases to be a self-insurer shall remain liable
3 for any and all assessments of the self-insurer as
4 provided in this paragraph based on actual paid losses
5 for the calendar year period preceding the assessment.
- 6 c. Failure of a self-insurer to pay, or timely pay, an
7 assessment required by this paragraph, or to report
8 payment of the same to the Commission within ten (10)
9 days of payment, shall be grounds for revocation by
10 the Commission of the self-insurer's permit to self-
11 insure in this state, after notice and hearing. A
12 former self-insurer failing to make payments required
13 by this paragraph promptly and correctly, or failing
14 to report payment of the same to the Commission within
15 ten (10) days of payment, shall be subject to
16 administrative penalties as allowed by law, including
17 but not limited to, a fine in the amount of Five
18 Hundred Dollars (\$500.00) or an amount equal to one
19 percent (1%) of the unpaid amount, whichever is
20 greater, to be paid and deposited to the credit of the
21 Workers' Compensation Commission Revolving Fund
22 created in Section 28.1 of this title. It shall be
23 the duty of the Tax Commission to collect the
24 assessment provided for in this paragraph. The Tax

Commission is authorized to bring an action for recovery of any delinquent or unpaid assessments, and may enforce payment of the assessment by proceeding in accordance with Section 79 of this title.

d. An impaired self-insurer shall be exempt from assessments beginning on the date of the Commission's designation until the Commission determines the self-insurer is no longer impaired.

~~e. The Tax Commission shall determine the fund balance as of March 1 and September 1 of each year, and when otherwise requested by the Workers' Compensation Commission, and shall advise the Workers' Compensation Commission in writing within thirty (30) days of each such determination;~~

3. Any interest accruing on monies paid into the fund; and

4. Monies transferred pursuant to Section 99 of this title.

SECTION 18. This act shall become effective July 1, 2020.

SECTION 19. It being immediately necessary for the preservation of the public peace, health or 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 AND BUDGET, dated 02/26/2020 - DO PASS, As Amended.