

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 58th Legislature (2021)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2893

By: Wallace and Hilbert of the  
House

and

Thompson and Hall of the  
Senate

11  
12                               COMMITTEE SUBSTITUTE

13           An Act relating to insurance premium tax; amending 36  
14           O.S. 2011, Section 312.1, as last amended by Section  
15           1, Chapter 16, O.S.L. 2020 (36 O.S. Supp. 2020,  
16           Section 312.1), which relates to the apportionment of  
17           collections; increasing certain apportionments in  
18           certain fiscal years; decreasing certain  
19           apportionments in certain fiscal years; eliminating  
20           certain apportionments; providing an effective date;  
21           and declaring an emergency.

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

23           SECTION 1.           AMENDATORY           36 O.S. 2011, Section 312.1, as  
24           last amended by Section 1, Chapter 16, O.S.L. 2020 (36 O.S. Supp.  
25           2020, Section 312.1), is amended to read as follows:

1       Section 312.1 A. For the fiscal year ending June 30, 2004, the  
2 Insurance Commissioner shall report and disburse one hundred percent  
3 (100%) of the fees and taxes collected under Section 624 of this  
4 title to the State Treasurer to be deposited to the credit of the  
5 Education Reform Revolving Fund of the State Department of  
6 Education. The Insurance Commissioner shall keep an accurate record  
7 of all such funds and make an itemized statement and furnish same to  
8 the State Auditor and Inspector, as to all other departments of this  
9 state. The report shall be accompanied by an affidavit of the  
10 Insurance Commissioner or the Chief Clerk of such office certifying  
11 to the correctness thereof.

12       B. The Insurance Commissioner shall apportion an amount of the  
13 taxes and fees received from Section 624 of this title, which shall  
14 be at least One Million Two Hundred Fifty Thousand Dollars  
15 (\$1,250,000.00) each year, but which shall also be computed on an  
16 annual basis by the Commissioner as the amount of insurance premium  
17 tax revenue loss attributable to the provisions of subsection H of  
18 Section 625.1 of this title and increased if necessary to reflect  
19 the annual computation, and which shall be apportioned before any  
20 other amounts, as follows:

21       1. The following amounts shall be paid to the Oklahoma  
22 Firefighters Pension and Retirement Fund in the manner provided for  
23 in Sections 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma  
24 Statutes:

1	Fiscal Year	Amount
2	FY 2006 through FY 2020	65.0%
3	FY 2021 as follows:	
4	a. for the month beginning July 1,	
5	2020, through the month ending	
6	August 31, 2020	65.0%
7	b. for the month beginning September	
8	1, 2020, through the month ending	
9	June 30, 2021	45.5%
10	FY 2022	<del>48.75%</del>
11	<del>FY 2023</del> and each fiscal year thereafter	65.0%;
12	2. The following amounts shall be paid to the Oklahoma Police	
13	Pension and Retirement System pursuant to the provisions of Sections	
14	50-101 through 50-136 of Title 11 of the Oklahoma Statutes:	
15	Fiscal Year	Amount
16	FY 2006 through FY 2020	26.0%
17	FY 2021 as follows:	
18	a. for the month beginning July 1,	
19	2020, through the month ending	
20	August 31, 2020	26.0%
21	b. for the month beginning September	
22	1, 2020, through the month ending	
23	June 30, 2021	18.2%
24	FY 2022	<del>19.5%</del>

~~FY 2023~~ and each fiscal year thereafter 26.0%;

3. The following amounts shall be paid to the Law Enforcement Retirement Fund:

Fiscal Year	Amount
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FY 2006 through FY 2020	9.0%
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FY 2021 as follows:

a. for the month beginning July 1, 2020, through the month ending August 31, 2020	9.0%
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b. for the month beginning September 1, 2020, through the month ending June 30, 2021	6.3%
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FY 2022	<del>6.75%</del>
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~~FY 2023~~ and each fiscal year thereafter 9.0%; and

4. The following amounts shall be paid to the Education Reform Revolving Fund of the State Department of Education:

Fiscal Year	Amount
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FY 2021 as follows:

for the month beginning September 1, 2020, through the month ending June 30, 2021	30.0%
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<del>FY 2022</del>	<del>25.0%</del> .
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C. After the apportionment required by subsection B of this section, for the fiscal years beginning July 1, 2004, and ending

1 June 30, 2009, the Insurance Commissioner shall report and disburse  
2 all of the fees and taxes collected under Section 624 of this title  
3 and Section 2204 of this title, and the same are hereby apportioned  
4 as follows:

5 1. Thirty-four percent (34%) of the taxes collected on premiums  
6 shall be allocated and disbursed for the Oklahoma Firefighters  
7 Pension and Retirement Fund, in the manner provided for in Sections  
8 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes;

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

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

16 4. All the balance and remainder of the taxes and fees provided  
17 in Section 624 of this title shall be paid to the State Treasurer to  
18 the credit of the General Revenue Fund of the state to provide  
19 revenue for general functions of state government. The Insurance  
20 Commissioner shall keep an accurate record of all such funds and  
21 make an itemized statement and furnish same to the State Auditor and  
22 Inspector, as to all other departments of this state. The report  
23 shall be accompanied by an affidavit of the Insurance Commissioner  
24

or the Chief Clerk of such office certifying to the correctness thereof.

D. After the apportionment required by subsection B of this section, the Insurance Commissioner shall report and disburse all of the fees and taxes collected under Section 624 of this title and Section 2204 of this title, and the same are hereby apportioned as follows:

1. Of the taxes collected on premiums the following shall be allocated and disbursed for the Oklahoma Firefighters Pension and Retirement Fund, in the manner provided for in Sections 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes:

Fiscal Year	Amount
FY 2006 through FY 2020	36.0%
FY 2021 as follows:	
a. for the month beginning July 1, 2020, through the month ending August 31, 2020	36.0%
b. for the month beginning September 1, 2020, through the month ending June 30, 2021	25.2%
FY 2022	<del>27.0%</del> <u>36.0%</u>
FY 2023 through FY 2027	<del>39.6%</del> <u>37.8%</u>
FY 2028 and each fiscal year thereafter	36.0%;

2. Of the taxes collected on premiums the following shall be allocated and disbursed to the Oklahoma Police Pension and Retirement System pursuant to the provisions of Sections 50-101 through 50-136 of Title 11 of the Oklahoma Statutes:

Fiscal Year	Amount
FY 2006 through FY 2020	14.0%
FY 2021 as follows:	
a. for the month beginning July 1, 2020, through the month ending August 31, 2020	14.0%
b. for the month beginning September 1, 2020, through the month ending June 30, 2021	9.8%
FY 2022	<del>10.5%</del> <u>14.0%</u>
FY 2023 through FY 2027	<del>15.4%</del> <u>14.7%</u>
FY 2028 and each fiscal year thereafter	14.0%;

3. Of the taxes collected on premiums the following shall be allocated and disbursed to the Law Enforcement Retirement Fund:

Fiscal Year	Amount
FY 2006 through FY 2020	5.0%
FY 2021 as follows:	
a. for the month beginning July 1, 2020, through the month ending August 31, 2020	5.0%

b. for the month beginning September  
1, 2020, through the month ending  
June 30, 2021

3.5%

FY 2022

~~3.75%~~ 5.0%

FY 2023 through FY 2027

~~5.5%~~ 5.25%

FY 2028 and each fiscal year thereafter

5.0%;

4. The following amounts shall be paid to the Education Reform  
Revolving Fund of the State Department of Education:

Fiscal Year

Amount

FY 2021 as follows:

for the month beginning September 1,  
2020, through the month ending June 30,  
2021

16.5%

~~FY 2022~~

~~13.75%;~~

5. In addition to the allocations made pursuant to paragraphs  
1, 2 and 3 of this subsection, of the taxes collected on premiums  
the following amounts shall be allocated and disbursed annually for  
FY 2023 through FY 2027:

a. ~~Eighty-one Thousand Two Hundred Fifty Dollars~~

~~(\$81,250.00)~~ Forty Thousand Six Hundred Twenty-five

Dollars (\$40,625.00) to the Oklahoma Firefighters

Pension and Retirement Fund,

b. ~~Thirty-two Thousand Five Hundred Dollars (\$32,500.00)~~

Sixteen Thousand Two Hundred Fifty Dollars



1                    (\$16,250.00) to the Oklahoma Police Pension and  
2                    Retirement System, and

3                    c. ~~Eleven Thousand Two Hundred Fifty Dollars (\$11,250.00)~~  
4                    Five Thousand Six Hundred Twenty-five Dollars  
5                    (\$5,625.00) to the Oklahoma Law Enforcement Retirement  
6                    Fund; and

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

17                  E. The disbursements provided for in subsections A, B, C and D  
18                  of this section shall be made monthly. The Insurance Commissioner  
19                  shall report annually to the Governor, the Speaker of the House of  
20                  Representatives, the President Pro Tempore of the Senate and the  
21                  State Auditor and Inspector, the amounts collected and disbursed  
22                  pursuant to this section.

23                  F. Notwithstanding any other provision of law to the contrary,  
24                  no tax credit authorized by law enacted on or after July 1, 2008,

1 which may be used to reduce any insurance premium tax liability  
2 shall be used to reduce the amount of insurance premium tax revenue  
3 apportioned to the Oklahoma Firefighters Pension and Retirement  
4 System, the Oklahoma Police Pension and Retirement System, the  
5 Oklahoma Law Enforcement Retirement System or the Education Reform  
6 Revolving Fund.

7 SECTION 2. This act shall become effective July 1, 2021.

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

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13 COMMITTEE REPORT BY: COMMITTEE ON JOINT COMMITTEE ON APPROPRIATIONS  
14 AND BUDGET, dated 05/14/2021 - DO PASS, As Amended.  
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