

# An Act

ENROLLED HOUSE  
BILL NO. 2742

By: Wallace and Hilbert of the  
House

and

Thompson and Rader of the  
Senate

An Act relating to insurance premium tax; amending 36 O.S. 2011, Section 312.1, as amended by Section 5, Chapter 165, O.S.L. 2013 (36 O.S. Supp. 2019, Section 312.1), which relates to the apportionment of collections; clarifying reference; modifying apportionment amounts to certain pension systems in certain fiscal years; providing apportionment to certain fund; prohibiting certain reductions of certain apportionments; and providing an effective date.

SUBJECT: Insurance premium tax

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

SECTION 1. AMENDATORY 36 O.S. 2011, Section 312.1, as amended by Section 5, Chapter 165, O.S.L. 2013 (36 O.S. Supp. 2019, Section 312.1), is amended to read as follows:

Section 312.1 A. For the fiscal year ending June 30, 2004, the Insurance Commissioner shall report and disburse one hundred percent (100%) of the fees and taxes collected under Section 624 of this title to the State Treasurer to be deposited to the credit of the Education Reform Revolving Fund ~~created pursuant to Section 34.89 of Title 62 of the Oklahoma Statutes~~ of the State Department of Education. The Insurance Commissioner shall keep an accurate record of all such funds and make an itemized statement and furnish same to the State Auditor and Inspector, as to all other departments of this state. The report shall be accompanied by an affidavit of the

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

B. ~~For the fiscal year beginning July 1, 2006, and for each fiscal year thereafter, the~~ The Insurance Commissioner shall apportion an amount of the taxes and fees received from Section 624 of this title, which shall be at least One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) each year, but which shall also be computed on an annual basis by the Commissioner as the amount of insurance premium tax revenue loss attributable to the provisions of subsection H of Section 625.1 of this title and increased if necessary to reflect the annual computation, and which shall be apportioned before any other amounts, ~~to the following pension systems and in the following amounts~~ as follows:

1. ~~Sixty-five percent (65%)~~ The following amounts shall be paid to 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:

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2006 through FY 2020</u>	<u>65.0%</u>
<u>FY 2021 as follows:</u>	
a. <u>for the month beginning July 1, 2020, through the month ending August 31, 2020</u>	<u>65.0%</u>
b. <u>for the month beginning September 1, 2020, through the month ending June 30, 2021</u>	<u>45.5%</u>
<u>FY 2022</u>	<u>48.75%</u>
<u>FY 2023 and each fiscal year thereafter</u>	<u>65.0%;</u>

2. ~~Twenty-six percent (26%)~~ The following amounts shall be paid 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:

<u>Fiscal Year</u>	<u>Amount</u>
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FY 2006 through FY 2020 26.0%

FY 2021 as follows:

a. for the month beginning July 1, 2020, through the month ending August 31, 2020 26.0%

b. for the month beginning September 1, 2020, through the month ending June 30, 2021 18.2%

FY 2022 19.5%

FY 2023 and each fiscal year thereafter 26.0%; and

3. ~~Nine percent (9%)~~ The following amounts shall be paid to the Law Enforcement Retirement Fund:

Fiscal Year Amount

FY 2006 through FY 2020 9.0%

FY 2021 as follows:

a. for the month beginning July 1, 2020, through the month ending August 31, 2020 9.0%

b. for the month beginning September 1, 2020, through the month ending June 30, 2021 6.3%

FY 2022 6.75%

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

FY 2021 as follows:

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

30.0%

FY 2022

25.0%.

C. After the apportionment required by subsection B of this section, for the fiscal years beginning July 1, 2004, and ending June 30, 2009, 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. Thirty-four percent (34%) of the taxes collected on premiums 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;

2. Seventeen percent (17%) of the taxes collected on premiums 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;

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

4. All the balance and remainder of the taxes and fees provided in Section 624 of this title shall be paid to the State Treasurer to the credit of the General Revenue Fund of the state to provide revenue for general functions of state government. The Insurance Commissioner shall keep an accurate record of all such funds and make an itemized statement and furnish same to the State Auditor and Inspector, as to all other departments of this state. The report shall be accompanied by an affidavit of the Insurance Commissioner 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. ~~Thirty-six percent (36%) of~~ 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:

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

2. ~~Fourteen percent (14%) of~~ 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:

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2006 through FY 2020</u>	<u>14.0%</u>
<u>FY 2021 as follows:</u>	
<u>a. for the month beginning July 1, 2020, through the month ending August 31, 2020</u>	<u>14.0%</u>
<u>b. for the month beginning September 1, 2020, through the month ending June 30, 2021</u>	<u>9.8%</u>

<u>FY 2022</u>	<u>10.5%</u>
<u>FY 2023 through FY 2027</u>	<u>15.4%</u>
<u>FY 2028 and each fiscal year thereafter</u>	<u>14.0%;</u>

3. ~~Five percent (5%) of~~ Of the taxes collected on premiums the following shall be allocated and disbursed to the Law Enforcement Retirement Fund:

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2006 through FY 2020</u>	<u>5.0%</u>
<u>FY 2021 as follows:</u>	

- |   |             |
|---|-------------|
| <u>a. for the month beginning July 1, 2020, through the month ending August 31, 2020</u>    | <u>5.0%</u> |
| <u>b. for the month beginning September 1, 2020, through the month ending June 30, 2021</u> | <u>3.5%</u> |

<u>FY 2022</u>	<u>3.75%</u>
<u>FY 2023 through FY 2027</u>	<u>5.5%</u>
<u>FY 2028 and each fiscal year thereafter</u>	<u>5.0%; and</u>

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

<u>Fiscal Year</u>	<u>Amount</u>
<u>FY 2021 as follows:</u>	
<u>for the month beginning September 1, 2020, through the month ending June 30, 2021</u>	<u>16.5%</u>
<u>FY 2022</u>	<u>13.75%;</u>

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) to the Oklahoma Firefighters Pension and Retirement Fund,
- b. Thirty-two Thousand Five Hundred Dollars (\$32,500.00) to the Oklahoma Police Pension and Retirement System, and
- c. Eleven Thousand Two Hundred Fifty Dollars (\$11,250.00) to the Oklahoma Law Enforcement Retirement Fund; and

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

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

F. Notwithstanding any other provision of law to the contrary, no tax credit authorized by law enacted on or after July 1, 2008, which may be used to reduce any insurance premium tax liability shall be used to reduce the amount of insurance premium tax revenue apportioned to the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System ~~or~~, the Oklahoma Law Enforcement Retirement System or the Education Reform Revolving Fund.

SECTION 2. This act shall become effective September 1, 2020.

Passed the House of Representatives the 5th day of May, 2020.

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Presiding Officer of the House  
of Representatives

Passed the Senate the 7th day of May, 2020.

\_\_\_\_\_  
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_