

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE BILL 943

By: Howard

4  
5  
6 AS INTRODUCED

7 An Act relating to insurance premium tax; amending 36  
8 O.S. 2011, Section 312.1, as last amended by Section  
9 1, Chapter 16, O.S.L. 2020 (36 O.S. Supp. 2020,  
10 Section 312.1), which relates to the apportionment of  
premium tax collections; modifying apportionments to  
11 certain retirement systems; and providing an  
12 effective date.

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

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

17 Section 312.1. A. For the fiscal year ending June 30, 2004,  
18 the Insurance Commissioner shall report and disburse one hundred  
19 percent (100%) of the fees and taxes collected under Section 624 of  
20 this title to the State Treasurer to be deposited to the credit of  
21 the Education Reform Revolving Fund of the State Department of  
22 Education. The Insurance Commissioner shall keep an accurate record  
23 of all such funds and make an itemized statement and furnish same to  
24 the State Auditor and Inspector, as to all other departments of this

1 state. The report shall be accompanied by an affidavit of the  
2 Insurance Commissioner or the Chief Clerk of such office certifying  
3 to the correctness thereof.

4 B. The Insurance Commissioner shall apportion an amount of the  
5 taxes and fees received from Section 624 of this title, which shall  
6 be at least One Million Two Hundred Fifty Thousand Dollars  
7 (\$1,250,000.00) each year, but which shall also be computed on an  
8 annual basis by the Commissioner as the amount of insurance premium  
9 tax revenue loss attributable to the provisions of subsection H of  
10 Section 625.1 of this title and increased if necessary to reflect  
11 the annual computation, and which shall be apportioned before any  
12 other amounts, as follows:

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

Fiscal Year	Amount
FY 2006 through FY 2020	65.0%
FY 2021 as follows:	
a. for the month beginning July 1, 2020, through the month ending August 31, 2020	65.0%

1           b.     for the month beginning September  
 2                     1, 2020, through the month ending  
 3                     June 30, 2021                                     45.5%  
 4     FY 2022 and each fiscal year thereafter                     48.75%  
 5     ~~FY 2023 and each fiscal year thereafter~~                     ~~65.0%~~;

6           2.     The following amounts shall be paid to the Oklahoma Police  
 7 Pension and Retirement System pursuant to the provisions of Sections  
 8 50-101 through 50-136 of Title 11 of the Oklahoma Statutes:

Fiscal Year	Amount
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%
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b.     for the month beginning September 1, 2020, through the month ending June 30, 2021	18.2%
FY 2022 <u>and each fiscal year thereafter</u>	19.5%
<del>FY 2023 and each fiscal year thereafter</del>	<del>26.0%</del> ;

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

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

1 a. for the month beginning July 1,  
2 2020, through the month ending  
3 August 31, 2020 9.0%

4 b. for the month beginning September  
5 1, 2020, through the month ending  
6 June 30, 2021 6.3%

7 FY 2022 and each fiscal year thereafter 6.75%

8 ~~FY 2023 and each fiscal year thereafter~~ 9.0%; and

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

11 Fiscal Year Amount

12 FY 2021 as follows:

13 for the month beginning September 1,  
14 2020, through the month ending June 30,  
15 2021 30.0%

16 FY 2022 and each fiscal year thereafter 25.0%.

17 C. After the apportionment required by subsection B of this  
18 section, for the fiscal years beginning July 1, 2004, and ending  
19 June 30, 2009, the Insurance Commissioner shall report and disburse  
20 all of the fees and taxes collected under Section 624 of this title  
21 and Section 2204 of this title, and the same are hereby apportioned  
22 as follows:

23 1. Thirty-four percent (34%) of the taxes collected on premiums  
24 shall be allocated and disbursed for the Oklahoma Firefighters

1 Pension and Retirement Fund, in the manner provided for in Sections  
2 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes;

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

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

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

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

1           1. Of the taxes collected on premiums the following shall be  
 2 allocated and disbursed for the Oklahoma Firefighters Pension and  
 3 Retirement Fund, in the manner provided for in Sections 49-119, 49-  
 4 120 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	27.0%
<del>FY 2023 through FY 2027</del>	<del>39.6%</del>
<del>FY 2028 and each fiscal year thereafter</del>	<del>36.0%;</del>

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

Fiscal Year	Amount
FY 2006 through FY 2020	14.0%
FY 2021 as follows:	

1 a. for the month beginning July 1,  
 2 2020, through the month ending  
 3 August 31, 2020 14.0%

4 b. for the month beginning September  
 5 1, 2020, through the month ending  
 6 June 30, 2021 9.8%

7 FY 2022 10.5%

8 ~~FY 2023 through FY 2027 15.4%~~

9 ~~FY 2028 and each fiscal year thereafter 14.0%;~~

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

Fiscal Year	Amount
FY 2006 through FY 2020	5.0%

14 FY 2021 as follows:

15 a. for the month beginning July 1,  
 16 2020, through the month ending  
 17 August 31, 2020 5.0%

18 b. for the month beginning September  
 19 1, 2020, through the month ending  
 20 June 30, 2021 3.5%

21 FY 2022 3.75%

22 ~~FY 2023 through FY 2027 5.5%~~

23 ~~FY 2028 and each fiscal year thereafter 5.0%;~~

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

3 Fiscal Year	Amount
4 FY 2021 as follows:	
5 for the month beginning September 1,	
6 2020, through the month ending June 30,	
7 2021	16.5%
8 <u>FY 2022 and each fiscal year thereafter</u>	13.75%; <u>and</u>

9 ~~5. In addition to the allocations made pursuant to paragraphs~~  
10 ~~1, 2 and 3 of this subsection, of the taxes collected on premiums~~  
11 ~~the following amounts shall be allocated and disbursed annually for~~  
12 ~~FY 2023 through FY 2027:~~

13 ~~a. Eighty one Thousand Two Hundred Fifty Dollars~~  
14 ~~(\$81,250.00) to the Oklahoma Firefighters Pension and~~  
15 ~~Retirement Fund,~~

16 ~~b. Thirty two Thousand Five Hundred Dollars (\$32,500.00)~~  
17 ~~to the Oklahoma Police Pension and Retirement System,~~  
18 ~~and~~

19 ~~c. Eleven Thousand Two Hundred Fifty Dollars (\$11,250.00)~~  
20 ~~to the Oklahoma Law Enforcement Retirement Fund; and~~

21 ~~6.~~ All the balance and remainder of the taxes and fees provided  
22 in Section 624 of this title shall be paid to the State Treasurer to  
23 the credit of the General Revenue Fund of the state to provide  
24 revenue for general functions of state government. The Insurance

1 Commissioner shall keep an accurate record of all such funds and  
2 make an itemized statement and furnish same to the State Auditor and  
3 Inspector, as to all other departments of this state. The report  
4 shall be accompanied by an affidavit of the Insurance Commissioner  
5 or the Chief Clerk of such office certifying to the correctness  
6 thereof.

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

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

21 SECTION 2. This act shall become effective November 1, 2021.  
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