

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 2047

By: Leftwich

COMMITTEE SUBSTITUTE

[Worker Training Fund Assessments - revolving fund -
codification - effective date]

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-109.3 of Title 40, unless there is created a duplication in numbering, reads as follows:

A. Notwithstanding the provisions of Sections 3-103, 3-109 and 3-110 of Title 40 of the Oklahoma Statutes, for the time period beginning January 1, 2007, and ending at the time the annual Existing Worker Training Fund assessment ceases by the terms of Section 4 of this act, the contribution rate assigned to an employer shall be reduced by fifty percent (50%). Provided, the tax rate of employers assigned a tax rate pursuant to Sections 3-103 and 3-110 of Title 40 of the Oklahoma Statutes shall not be reduced to less than one percent (1%). Provided further, employers who qualify for an earned rate calculated pursuant to Section 3-109 of Title 40 of the Oklahoma Statutes, and have earned the maximum rate in the tax rate schedule shall not be reduced below five and five-tenths percent (5.5%).

B. Beginning January 1, 2008, the provisions of this section shall not be in effect and shall be suspended for any year in which a conditional factor exists pursuant to the provisions of Section 3-113 of Title 40 of the Oklahoma Statutes.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5013.41 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Commerce to be designated the "Existing Worker Training Fund". The Existing Worker Training Fund shall be separate and distinct from any other fund and shall consist of:

1. All monies received from employers and paid pursuant to Section 4 of this act; and

2. Property and securities acquired by and through the use of monies in the Existing Worker Training Fund.

B. The Existing Worker Training Fund shall be a continuing fund, not subject to fiscal year limitations. All monies accruing to the credit of the Existing Worker Training Fund are hereby appropriated and may be budgeted and expended for the purposes set forth in Section 3 of this act. Expenditures from the Existing Worker Training Fund shall be made upon warrants issued by the State Treasurer against claims filed, as prescribed by law, with the Director of State Finance for approval and payment.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5013.42 of Title 74, unless there is created a duplication in numbering, reads as follows:

The monies in the Existing Worker Training Fund shall be used for the following purposes:

1. Workplace literacy;
2. Licensure and certification;
3. Skill assessment of existing workforce;
4. Process improvement;
5. Equipment-specific training;
6. Employment and training research;
7. Developing worksite training;

8. Identifying skill gaps;

9. Promoting linkages and collaboration between employers and the local Workforce Oklahoma partners to enable a steady supply of targeted workers;

10. Building private and public sector partnerships; and

11. Any workforce need seen to be critical to the economic bottom line.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5013.43 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. 1. Beginning January 1, 2007, each employer subject to the provisions of Sections 3-103, 3-109 and 3-110 of Title 40 of the Oklahoma Statutes shall be required to pay an annual Existing Worker Training Fund assessment equal to fifty percent (50%) of the unemployment contributions that would be owed to the Oklahoma Employment Security Commission before any rate reduction is made pursuant to Section 1 of this act. This annual assessment shall be in addition to any contribution which that employer is required to make pursuant to the provisions of the Employment Security Act of 1980.

2. The annual assessment provided for in this section shall not be considered part of any contribution required of an individual employer pursuant to the Employment Security Act of 1980, nor shall it be considered for purposes of determining the individual employer's contribution rate.

B. Employers assigned a tax rate pursuant to Sections 3-103 and 3-110 of Title 40 of the Oklahoma Statutes shall pay an annual Existing Worker Training Fund assessment equal to the rate reduction granted them pursuant to Section 1 of this act.

C. Employers who qualify for an earned rate calculated pursuant to Section 3-109 of Title 40 of the Oklahoma Statutes, and have earned the maximum rate in the rate schedule, shall pay an annual

Existing Worker Training Fund assessment equal to the rate reduction granted them under Section 1 of this act.

D. Employers making payments in lieu of contributions pursuant to Sections 3-702, 3-705 and 3-806 of Title 40 of the Oklahoma Statutes shall be exempt from the provisions of this section.

E. The annual assessment shall be made and collected by the Oklahoma Employment Security Commission for deposit, on a quarterly basis, to the credit of the Existing Worker Training Fund. Provided, all monies received by the Oklahoma Employment Security Commission for the account of the Existing Worker Training Fund, upon receipt, shall be deposited in a clearance account in a financial institution located in this state, after the administrative costs of collection have been deducted and retained by the Oklahoma Employment Security Commission.

F. Once the sum of Twenty Million Dollars (\$20,000,000.00) is collected through this annual assessment, the annual assessment and the correlating tax reduction provided for in Section 1 of this act will cease to exist for the remainder of the calendar year.

G. On the third Monday in December of each year, the State Treasurer will certify to the Oklahoma Employment Security Commission the balance of the Existing Worker Training Fund on that day. For the next calendar year, the collection of the assessment provided for by this section will be limited to Twenty Million Dollars (\$20,000,000.00) less the balance of the fund on the date described in this subsection as certified by the State Treasurer. It is intended by the Legislature that this fund should never exceed Twenty Million Dollars (\$20,000,000.00). Once the assessment allowed by this subsection is collected, the annual assessment and correlating tax reduction provided for in Section 1 of this act will cease to exist for the remainder of the calendar year.

H. Beginning January 1, 2008, the annual Existing Worker Training Fund assessment will not be in effect and the provisions of

this section shall be suspended during any year in which a conditional factor exists pursuant to the provisions of Section 3-113 of Title 40 of the Oklahoma Statutes.

I. The Oklahoma Department of Commerce shall promulgate such rules as may be necessary to implement the provisions of Sections 2 through 4 of this act.

SECTION 5. This act shall become effective November 1, 2006.

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