

OKLAHOMA STATE SENATE  
GENERAL CONFERENCE COMMITTEE ON APPROPRIATIONS

Mr. President:

Date: 5-20-2014

Mr. Speaker:

The Conference Committee, to which was referred

**SB 1639**

By: Bingman and Ford of the Senate and Hall and Lockhart of the House

Title: State government; creating the Quality Workforce Act; creating the Quality Workforce Rebate Payment Fund. Effective date.

together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the House recede from all Amendments.
2. That the attached Conference Committee Substitute be adopted.

**SENATE CONFEREES:**

Bass _____	R. Johnson _____
Branan _____	Jolley _____
Brinkley <u>Le Brinkley</u>	Justice <u>Justice</u>
Coates _____	Marlatt _____
Crain _____	Mazzei _____
David <u>Kindred</u>	Newberry _____
Ellis <u>Ellis</u>	Paddack _____
Fields <u>Fields</u>	Standridge _____
Ford <u>Ford</u>	Stanislowski <u>Stanislowski</u>
Griffin <u>Griffin</u>	Sykes _____
Halligan <u>Halligan</u>	Treat _____
Holt <u>Holt</u>	Wyrick _____
Ivester <u>Ivester</u>	_____
C. Johnson _____	_____

**HOUSE CONFEREES:**

**ADOPTED & PASSED**

Conference Committee on Appropriations

Senate Action \_\_\_\_\_ Date MAY 22 2014 House Action \_\_\_\_\_ Date \_\_\_\_\_

SB1639 CCR (A)  
**HOUSE CONFEREES**

Armes, Don



Billy, Lisa J.

Brown, Mike

Christian, Mike



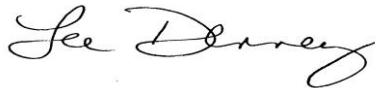
Coody, Ann



Cox, Doug



Denney, Lee



Dorman, Joe

Hoskin, Chuck

Kern, Sally

Martin, Scott



McCullough, Mark



McDaniel,  
Jeannie



McNiel, Skye



McPeak, Jerry

Morrisette,  
Richard

Nelson, Jason



Newell, Tom



Osborn, Leslie

Ownbey, Pat

Proctor, Eric

Ritze, Mike

Roberts, Sean

Sanders, Mike



Schwartz, Colby



Sears, Earl



Sherrer, Ben

Watson, Weldon



Wesselhoft, Paul

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1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 CONFERENCE COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED

5 SENATE BILL NO. 1639

6 By: Bingman and Ford of the  
7 Senate

8 and

9 Hall and Lockhart of the  
10 House

11 CONFERENCE COMMITTEE SUBSTITUTE

12 An Act relating to tax rebates; providing short  
13 title; creating the Quality Workforce Act; defining  
14 terms; limiting total rebate payments; authorizing  
15 the payment of rebates by the Oklahoma Tax Commission  
16 subject to approval by the Oklahoma Department of  
17 Commerce for qualified workforce investment;  
18 providing for the manner in which rebate payments  
19 shall be made; establishing procedures related to  
20 rebate payments; establishing requirements which must  
21 be met before specified application is approved;  
22 establishing procedures related to the program;  
23 providing for the existence of a specified agreement  
24 once an application is approved; creating the Quality  
Workforce Rebate Payment Fund and providing for the  
deposit of monies into, and the use and expenditure  
of, contents of the fund; limiting the liability of  
the Quality Workforce Rebate Payment Fund to fund  
balance; providing for promulgation of rules by  
specified agencies; providing penalty; requiring  
specified report on certain schedule; providing for  
expiration of act; providing for codification; and  
providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 3921 of Title 68, unless there  
3 is created a duplication in numbering, reads as follows:

4 This act shall be known and may be cited as the "Quality  
5 Workforce Act".

6 SECTION 2. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 3922 of Title 68, unless there  
8 is created a duplication in numbering, reads as follows:

9 As used in the Quality Workforce Act:

10 1. "Approved certificate or degree" means a program of  
11 education located in Oklahoma and approved by the Oklahoma  
12 Department of Commerce prior to the time the establishment makes an  
13 initial application, which will result in the granting of an  
14 associate degree by an accredited public or private institution of  
15 higher education or an industrial or vocational licensing or  
16 certification program;

17 2. "Basic industry" means any industry which meets the criteria  
18 set provided pursuant to paragraph 1 of Section 3913 of Title 68 of  
19 the Oklahoma Statutes;

20 3. "Critical occupation" means an occupation identified by the  
21 Oklahoma Department of Commerce as a critical industry certification  
22 which meets the guidelines of the identified core competencies of  
23 the state based on wealth generation, growth potential and  
24 competitive advantage;

1           4. "Eligible employee" means an individual who is a resident of  
2 Oklahoma, a citizen of the United States and is a full-time employee  
3 of the establishment making application for a rebate, who is serving  
4 in a position or function which qualifies as a critical occupation,  
5 and for whom the establishment has paid the cost of tuition, fees  
6 and materials necessary to obtain an approved license, certificate  
7 or degree during or prior to full-time employment;

8           5. "Establishment" means any for-profit business, no matter  
9 what legal form, including, but not limited to, a sole  
10 proprietorship, partnership, corporation, or limited liability  
11 corporation;

12           6. "Full-time employment" means employment of persons residing  
13 in this state and working for thirty (30) hours per week or more in  
14 this state, which has a minimum six-month duration during any  
15 twelve-month period;

16           7. "Rebate" means a payment to an establishment for one hundred  
17 percent (100%) of the amount of tuition, fees and materials paid on  
18 behalf of an eligible employee for an approved license, certificate  
19 or degree; and

20           8. "Rebate supplement" means:

21           a. if applicable, an amount equal to five percent (5%) of  
22 the amount of any tuition, fees and materials paid on  
23 behalf of an eligible employee who is a veteran of the  
24 Armed Forces of the United States, and

1           b.    if applicable, an amount equal to five percent (5%) of  
2                    the amount of any tuition, fees and materials paid on  
3                    behalf of an eligible employee who was, or whose  
4                    household was, enrolled in the Oklahoma Medicaid  
5                    program at the time of matriculation into an approved  
6                    license, certificate or degree program.

7           SECTION 3.        NEW LAW        A new section of law to be codified  
8   in the Oklahoma Statutes as Section 3923 of Title 68, unless there  
9   is created a duplication in numbering, reads as follows:

10          A.   An eligible establishment which receives approval by the  
11   Oklahoma Department of Commerce pursuant to the provisions of the  
12   Quality Workforce Act may receive a rebate, on or after July 1,  
13   2015, from the Oklahoma Tax Commission equal to amounts paid for  
14   workforce investment for eligible employees plus any rebate  
15   supplement.  Such payments shall be made until fully reimbursed but  
16   annual payments shall be limited to an amount equal to five percent  
17   (5%) of the average wage of all employees of the establishment  
18   multiplied by the number of eligible employees.

19          B.   In order to receive rebate payments, an establishment shall  
20   apply to, and be approved by, the Oklahoma Department of Commerce on  
21   forms prescribed by the Department.

22          C.   Before approving the application for rebate payments, the  
23   Department shall establish that the establishment applying:  
24

1           1. Is eligible subject to the applicable definitions provided  
2 in Section 2 of this act;

3           2. Is not currently participating or applying to participate in  
4 the Oklahoma Quality Jobs Program Act, the Saving Quality Jobs Act,  
5 the Former Military Facility Development Act, the Small Employer  
6 Quality Jobs Act or the 21st Century Quality Jobs Incentive Act;

7           3. Has a basic health benefit plan which, as determined by the  
8 Department, meets the requirements of divisions (1) through (7) of  
9 subparagraph b of paragraph 1 of subsection A of Section 3603 of  
10 Title 68 of the Oklahoma Statutes and which has been offered or will  
11 be offered to individuals within twelve (12) months of employment;

12           4. Has obtained the applicable approval of the certificate or  
13 degree program prior to the matriculation of an employee or  
14 potential employee; and

15           5. Has documentation of direct payment to an institution for  
16 the completion of an approved license, certificate or degree.

17           D. Upon a determination that an applicant is qualified pursuant  
18 to subsection C of this section, the Oklahoma Department of Commerce  
19 shall notify the Oklahoma Tax Commission and provide it with a copy  
20 of the application and approval. Such approval shall include, but  
21 not be limited to, the approved license, certificate or degree  
22 program, the name of the eligible employee and the critical  
23 occupation identified. The Tax Commission may require the  
24 establishment to submit additional information as may be necessary



1 to administer the provisions of this act. Eligible establishments  
2 may be audited by the Tax Commission to verify eligibility for  
3 rebate payments. Once the application is approved, an agreement  
4 shall be deemed to exist between the establishment and the State of  
5 Oklahoma requiring rebate payments to be made for as long as the  
6 establishment retains eligibility, within the limitations of this  
7 act as it exists at the time of such approval.

8 SECTION 4. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 3924 of Title 68, unless there  
10 is created a duplication in numbering, reads as follows:

11 There is hereby created within the State Treasury a special fund  
12 for the Oklahoma Tax Commission to be designated the "Quality  
13 Workforce Rebate Payment Fund". The Tax Commission is hereby  
14 authorized and directed to withhold a portion of the taxes levied  
15 and collected pursuant to Sections 1354 and 2355 of Title 68 of the  
16 Oklahoma Statutes for deposit into the fund and fifty percent (50%)  
17 of the taxes withheld for deposit to the fund shall be from each  
18 revenue source. The amount deposited shall equal the sum estimated  
19 by the Tax Commission to be sufficient to pay rebate payments  
20 claimed pursuant to the provisions of Section 3 of this act but  
21 shall not exceed the amount required to pay Five Million dollars  
22 (\$5,000,000.00) in rebate payments in any given fiscal year. All of  
23 the amounts deposited in such fund shall be used and expended by the  
24 Tax Commission solely for the purposes and in the amounts authorized

1 by the Quality Workforce Act. The liability of the State of  
2 Oklahoma to make rebate payments under the Quality Workforce Act  
3 shall be limited to the balance contained in the fund created by  
4 this section.

5 SECTION 5. NEW LAW A new section of law to be codified  
6 in the Oklahoma Statutes as Section 3925 of Title 68, unless there  
7 is created a duplication in numbering, reads as follows:

8 The Oklahoma Department of Commerce and the Oklahoma Tax  
9 Commission shall promulgate rules necessary to implement their  
10 respective duties and responsibilities under the provisions of the  
11 Quality Workforce Act.

12 SECTION 6. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 3926 of Title 68, unless there  
14 is created a duplication in numbering, reads as follows:

15 Any person making an application, claim for payment or any  
16 report, return, statement, invoice, or other instrument or providing  
17 any other information pursuant to the provisions of this act who  
18 willfully makes a false or fraudulent application, claim, report,  
19 return, statement, invoice, or other instrument, or who willfully  
20 provides any false or fraudulent information, or any person who  
21 willfully aids or abets another in making such false or fraudulent  
22 application, claim, report, return, statement, invoice, or other  
23 instrument, or who willfully aids or abets another in providing any  
24 false or fraudulent information, upon conviction, shall be guilty of

1 a misdemeanor. The fine for a violation of this provision shall not  
2 be less than One Thousand Dollars (\$1,000.00) nor more than Fifty  
3 Thousand Dollars (\$50,000.00). Any person convicted of a violation  
4 of this section shall be liable for the repayment of all rebate  
5 payments which were paid to the establishment. Interest shall be  
6 due on such payments at the rate of ten percent (10%) per annum.

7 SECTION 7. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 3927 of Title 68, unless there  
9 is created a duplication in numbering, reads as follows:

10 The Oklahoma Department of Commerce shall prepare triennially a  
11 report which shall include, but not be limited to, a fiscal analysis  
12 of the costs and benefits of the Quality Workforce Act to the state.  
13 The report shall be submitted to the President Pro Tempore of the  
14 Senate, the Speaker of the House of Representatives and the Governor  
15 of this state no later than March 1, 2018, and every three (3) years  
16 thereafter. The report may be used for the purposes of determining  
17 whether to continue or sunset the Quality Workforce Act.

18 SECTION 8. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 3928 of Title 68, unless there  
20 is created a duplication in numbering, reads as follows:

21 The provisions of the Quality Workforce Act shall cease to have  
22 the force and effect of law effective July 1, 2019, and no claim  
23 shall be paid thereafter.

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SECTION 9. This act shall become effective November 1, 2014.

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