

1 STATE OF OKLAHOMA

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

3 CONFERENCE COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 SENATE BILL 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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