

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 HOUSE BILL 1561

By: Hall

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5
6 AS INTRODUCED

7 An Act relating to tax rebates; providing short
8 title; creating the Quality Workforce Act; defining
9 terms; limiting total rebate payments; authorizing
10 the payment of rebates by the Oklahoma Tax Commission
11 subject to approval by the Oklahoma Department of
12 Commerce for qualified workforce investment;
13 providing for the manner in which rebate payments
14 shall be made; establishing procedures related to
15 rebate payments; establishing requirements which must
16 be met before specified application is approved;
17 establishing procedures related to the program;
18 providing for the existence of a specified agreement
19 once an application is approved; creating the Quality
20 Workforce Rebate Payment Fund and providing for the
21 deposit of monies into, and the use and expenditure
22 of, contents of the fund; limiting the liability of
23 the Quality Workforce Rebate Payment Fund to fund
24 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:

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

1 This act shall be known and may be cited as the "Quality
2 Workforce Act".

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

6 As used in the Quality Workforce Act:

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

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

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

22 4. "Eligible employee" means an individual who is a resident of
23 Oklahoma, a citizen of the United States and a full-time employee of
24 the establishment making application for a rebate, who is serving in

1 a position or function which qualifies as a critical occupation, and
2 for whom the establishment has paid the cost of tuition, fees and
3 materials necessary to obtain an approved license, certificate or
4 degree during or prior to full-time employment;

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

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

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

17 8. "Rebate supplement" means:

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

22 b. if applicable, an amount equal to five percent (5%) of
23 the amount of any tuition, fees and materials paid on
24 behalf of an eligible employee who was, or whose

1 household was, enrolled in the Oklahoma Medicaid
2 program at the time of matriculation into an approved
3 license, certificate or degree program.

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

7 A. An eligible establishment which receives approval by the
8 Oklahoma Department of Commerce pursuant to the provisions of the
9 Quality Workforce Act may receive a rebate, on or after July 1,
10 2016, from the Oklahoma Tax Commission equal to amounts paid for
11 workforce investment for eligible employees plus any rebate
12 supplement. Such payments shall be made until fully reimbursed but
13 annual payments shall be limited to an amount equal to five percent
14 (5%) of the average wage of all employees of the establishment
15 multiplied by the number of eligible employees.

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

19 C. Before approving the application for rebate payments, the
20 Department shall establish that the establishment applying:

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

23 2. Is not currently participating or applying to participate in
24 the Oklahoma Quality Jobs Program Act, the Saving Quality Jobs Act,

1 the Former Military Facility Development Act, the Small Employer
2 Quality Jobs Act or the 21st Century Quality Jobs Incentive Act;

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

8 4. Has obtained the applicable approval of the certificate or
9 degree program prior to the matriculation of an employee or
10 potential employee; and

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

13 D. Upon a determination that an applicant is qualified pursuant
14 to subsection C of this section, the Oklahoma Department of Commerce
15 shall notify the Oklahoma Tax Commission and provide it with a copy
16 of the application and approval. Such approval shall include, but
17 not be limited to, the approved license, certificate or degree
18 program, the name of the eligible employee and the critical
19 occupation identified. The Tax Commission may require the
20 establishment to submit additional information as may be necessary
21 to administer the provisions of this act. Eligible establishments
22 may be audited by the Tax Commission to verify eligibility for
23 rebate payments. Once the application is approved, an agreement
24 shall be deemed to exist between the establishment and the State of

1 Oklahoma requiring rebate payments to be made for as long as the
2 establishment retains eligibility within the limitations of this act
3 as it exists at the time of such approval.

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

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

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

4 The Oklahoma Department of Commerce and the Oklahoma Tax
5 Commission shall promulgate rules necessary to implement their
6 respective duties and responsibilities under the provisions of the
7 Quality Workforce Act.

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

11 Any person making an application, claim for payment or any
12 report, return, statement, invoice, or other instrument or providing
13 any other information pursuant to the provisions of this act who
14 willfully makes a false or fraudulent application, claim, report,
15 return, statement, invoice, or other instrument, or who willfully
16 provides any false or fraudulent information, or any person who
17 willfully aids or abets another in making such false or fraudulent
18 application, claim, report, return, statement, invoice, or other
19 instrument, or who willfully aids or abets another in providing any
20 false or fraudulent information, upon conviction, shall be guilty of
21 a misdemeanor. The fine for a violation of this provision shall not
22 be less than One Thousand Dollars (\$1,000.00) nor more than Fifty
23 Thousand Dollars (\$50,000.00). Any person convicted of a violation
24 of this section shall be liable for the repayment of all rebate

1 payments which were paid to the establishment. Interest shall be
2 due on such payments at the rate of ten percent (10%) per annum.

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

6 The Oklahoma Department of Commerce shall prepare triennially a
7 report which shall include, but not be limited to, a fiscal analysis
8 of the costs and benefits of the Quality Workforce Act to the state.
9 The report shall be submitted to the President Pro Tempore of the
10 Senate, the Speaker of the House of Representatives and the Governor
11 of this state no later than March 1, 2019, and every three (3) years
12 thereafter. The report may be used for the purposes of determining
13 whether to continue or sunset the Quality Workforce Act.

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

17 The provisions of the Quality Workforce Act shall cease to have
18 the force and effect of law effective July 1, 2020, and no claim
19 shall be paid thereafter.

20 SECTION 9. This act shall become effective November 1, 2015.

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