

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 SENATE BILL 1782

By: Rader

4  
5  
6 AS INTRODUCED

7 An Act relating to incentive payments; amending 68  
8 O.S. 2021, Sections 3604 and 3604.1, which relate to  
9 the Oklahoma Quality Jobs Program; modifying period  
10 of incentive payments for applications submitted  
11 after certain date; modifying period for effective  
12 date of agreement; modifying wage requirement for  
13 certain applicants; requiring the establishment to  
14 meet wage requirements at certain period of the  
15 agreement; limiting maximum wage requirement to  
16 certain period; updating statutory reference; and  
17 providing an effective date.

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

19 SECTION 1. AMENDATORY 68 O.S. 2021, Section 3604, is  
20 amended to read as follows:

21 Section 3604. A. Except as otherwise provided in subsection I  
22 or subsection L of this section, an establishment which meets the  
23 qualifications specified in the Oklahoma Quality Jobs Program Act  
24 may receive quarterly incentive payments for a ten-year period from  
the Oklahoma Tax Commission pursuant to the provisions of the  
Oklahoma Quality Jobs Program Act; provided, such an establishment  
defined or classified in the NAICS Manual under U.S. Industry No.

1 711211 (2007 version) may receive quarterly incentive payments for a  
2 fifteen-year period. The amount of such payments shall be equal to  
3 the net benefit rate multiplied by the actual gross payroll of new  
4 direct jobs for a calendar quarter as verified by the Oklahoma  
5 Employment Security Commission.

6 B. In order to receive incentive payments, an establishment  
7 shall apply to the Oklahoma Department of Commerce. The application  
8 shall be on a form prescribed by the Department and shall contain  
9 such information as may be required by the Department to determine  
10 if the applicant is qualified. An establishment may apply for an  
11 effective date for a project, which shall not be more than ~~twenty-~~  
12 ~~four (24) months~~ twelve (12) months from the date the application is  
13 submitted to the Department.

14 C. Except as otherwise provided by subsection D or E of this  
15 section, in order to qualify to receive such payments, the  
16 establishment applying shall be required to:

- 17 1. Be engaged in a basic industry;
- 18 2. Have an annual gross payroll for new direct jobs projected  
19 by the Department to equal or exceed Two Million Five Hundred  
20 Thousand Dollars (\$2,500,000.00) within three (3) years of the first  
21 complete calendar quarter following the start date; and
- 22 3. Have a number of full-time-equivalent employees subject to  
23 the tax imposed by Section 2355 of this title and working an annual  
24 average of thirty (30) or more hours per week in new direct jobs

1 located in this state equal to or in excess of eighty percent (80%)  
2 of the total number of new direct jobs.

3 D. In order to qualify to receive incentive payments as  
4 authorized by the Oklahoma Quality Jobs Program Act, an  
5 establishment engaged in an activity described under:

6 1. Industry Group Nos. 3111 through 3119 of the NAICS Manual  
7 shall be required to:

- 8 a. have an annual gross payroll for new direct jobs  
9 projected by the Department to equal or exceed One  
10 Million Five Hundred Thousand Dollars (\$1,500,000.00)  
11 within three (3) years of the first complete calendar  
12 quarter following the start date and make, or which  
13 will make within one (1) year, at least seventy-five  
14 percent (75%) of its total sales, as determined by the  
15 Incentive Approval Committee pursuant to the  
16 provisions of subsection B of Section 3603 of this  
17 title, to out-of-state customers or buyers, to in-  
18 state customers or buyers if the product or service is  
19 resold by the purchaser to an out-of-state customer or  
20 buyer for ultimate use, or to the federal government,  
21 unless the annual gross payroll equals or exceeds Two  
22 Million Five Hundred Thousand Dollars (\$2,500,000.00)  
23 in which case the requirements for purchase of output  
24 provided by this subparagraph shall not apply, and

1           b.    have a number of full-time-equivalent employees  
2                    working an average of thirty (30) or more hours per  
3                    week in new direct jobs equal to or in excess of  
4                    eighty percent (80%) of the total number of new direct  
5                    jobs; and

6           2.    Division (4) of subparagraph a of paragraph 1 of subsection  
7 A of Section 3603 of this title, shall be required to:

8           a.    have an annual gross payroll for new direct jobs  
9                    projected by the Department to equal or exceed One  
10                   Million Five Hundred Thousand Dollars (\$1,500,000.00)  
11                   within three (3) years of the first complete calendar  
12                   quarter following the start date, and

13           b.    have a number of full-time-equivalent employees  
14                    working an average of thirty (30) or more hours per  
15                    week in new direct jobs equal to or in excess of  
16                    eighty percent (80%) of the total number of new direct  
17                    jobs.

18           E. 1.   An establishment which locates its principal business  
19 activity within a site consisting of at least ten (10) acres which:

20           a.    is a federal Superfund removal site,

21           b.    is listed on the National Priorities List established  
22                    under Section 9605 of Title 42 of the United States  
23                    Code,

1 c. has been formally deferred to the state in lieu of  
2 listing on the National Priorities List, or

3 d. has been determined by the Department of Environmental  
4 Quality to be contaminated by any substance regulated  
5 by a federal or state statute governing environmental  
6 conditions for real property pursuant to an order of  
7 the Department of Environmental Quality,

8 shall qualify for incentive payments irrespective of its actual  
9 gross payroll or the number of full-time-equivalent employees  
10 engaged in new direct jobs.

11 2. In order to qualify for the incentive payments pursuant to  
12 this subsection, the establishment shall conduct the activity  
13 resulting in at least fifty percent (50%) of its Oklahoma taxable  
14 income or adjusted gross income, as determined under Section 2358 of  
15 this title, whether from the sale of products or services or both  
16 products and services, at the physical location which has been  
17 determined not to comply with the federal or state statutes  
18 described in this subsection with respect to environmental  
19 conditions for real property. The establishment shall be subject to  
20 all other requirements of the Oklahoma Quality Jobs Program Act  
21 other than the exemptions provided by this subsection.

22 3. In order to qualify for the incentive payments pursuant to  
23 this subsection, the entity shall obtain from the Department of  
24 Environmental Quality a letter of concurrence that:

- 1 a. the site designated by the entity does meet one or  
2 more of the requirements listed in paragraph 1 of this  
3 subsection, and  
4 b. the site is being or has been remediated to a level  
5 which is consistent with the intended use of the  
6 property.

7 In making its determination, the Department of Environmental  
8 Quality may rely on existing data and information available to it,  
9 but may also require the applying entity to provide additional data  
10 and information as necessary.

11 4. If authorized by the Department of Environmental Quality  
12 pursuant to paragraph 3 of this subsection, the entity may utilize a  
13 remediated portion of the property for its intended purpose prior to  
14 remediation of the remainder of the site, and shall qualify for  
15 incentive payments based on employment associated with the portion  
16 of the site.

17 F. Except as otherwise provided by subsection G of this  
18 section, for applications submitted on and after June 4, 2003, in  
19 order to qualify to receive incentive payments as authorized by the  
20 Oklahoma Quality Jobs Program Act, in addition to other  
21 qualifications specified herein, an establishment shall be required,  
22 both at the effective date of the agreement and the beginning of the  
23 sixth year of the agreement, to pay new direct jobs an average  
24 annualized wage which equals or exceeds:

1           1. One hundred ten percent (110%) of the average county wage as  
2 determined by the Department of Commerce based on the most recent  
3 U.S. Department of Commerce data for the county in which the new  
4 direct jobs are located. For purposes of this paragraph, health  
5 care premiums paid by the applicant for individuals in new direct  
6 jobs shall be included in the annualized wage; or

7           2. One hundred percent (100%) of the average county wage as  
8 that percentage is determined by the Department of Commerce based  
9 upon the most recent U.S. Department of Commerce data for the county  
10 in which the new jobs are located. For purposes of this paragraph,  
11 health care premiums paid by the applicant for individuals in new  
12 direct jobs shall not be included in the annualized wage.

13           Provided, no average wage requirement shall exceed Twenty-five  
14 Thousand Dollars (\$25,000.00), in any county, for applications  
15 received before January 1, 2023. This maximum wage threshold shall  
16 be indexed and modified from time to time based on the latest  
17 Consumer Price Index year-to-date percent change release as of the  
18 date of the annual average county wage data release from the Bureau  
19 of Economic Analysis of the U.S. Department of Commerce.

20           G. 1. As used in this subsection, "opportunity zone" means one  
21 or more census tracts in which, according to the most recent Federal  
22 Decennial Census, at least thirty percent (30%) of the residents  
23 have annual gross household incomes from all sources below the  
24 poverty guidelines established by the U.S. Department of Health and

1 Human Services. An establishment which is otherwise qualified to  
2 receive incentive payments and which locates its principal business  
3 activity in an opportunity zone shall not be subject to the  
4 requirements of subsection F of this section.

5 2. As used in this subsection:

6 a. "negative economic event" means:

7 (1) a man-made disaster or natural disaster as  
8 defined in Section 683.3 of Title 63 of the  
9 Oklahoma Statutes, resulting in the loss of a  
10 significant number of jobs within a particular  
11 county of this state, or

12 (2) an economic circumstance in which a significant  
13 number of jobs within a particular county of this  
14 state have been lost due to an establishment  
15 changing its structure, consolidating with  
16 another establishment, closing or moving all or  
17 part of its operations out of this state, and

18 b. "significant number of jobs" means Local Area  
19 Unemployment Statistics (LAUS) data, as determined by  
20 the Bureau of Labor Statistics, for a county which are  
21 equal to or in excess of five percent (5%) of the  
22 total amount of Local Area Unemployment Statistics  
23 (LAUS) data for that county for the calendar year, or  
24



1           most recent twelve-month period in which employment is  
2           measured, preceding the event.

3           An establishment which is otherwise qualified to receive  
4           incentive payments and which locates in a county in which a negative  
5           economic event has occurred within the eighteen-month period  
6           preceding the start date shall not be subject to the requirements of  
7           subsection F of this section; provided, an establishment shall not  
8           be eligible to receive incentive payments based upon a negative  
9           economic event with respect to jobs that are transferred from one  
10          county of this state to another.

11          H. The Department shall determine if the applicant is qualified  
12          to receive incentive payments.

13          I. If the applicant is determined to be qualified by the  
14          Department and is not subject to the provisions of subparagraph d of  
15          paragraph 7 of subsection A of Section 3603 of this title, the  
16          Department shall conduct a cost/benefit analysis to determine the  
17          estimated net direct state benefits and the net benefit rate  
18          applicable for a ten-year period beginning with the first complete  
19          calendar quarter following the start date and to estimate the amount  
20          of gross payroll for a ten-year period beginning with the first  
21          complete calendar quarter following the start date or for a fifteen-  
22          year period for an establishment defined or classified in the NAICS  
23          Manual under U.S. Industry No. 711211 (2007 version). In conducting  
24          such cost/benefit analysis, the Department shall consider

1 quantitative factors, such as the anticipated level of new tax  
2 revenues to the state along with the added cost to the state of  
3 providing services, and such other criteria as deemed appropriate by  
4 the Department. In no event shall incentive payments, cumulatively,  
5 exceed the estimated net direct state benefits, except for  
6 applicants subject to the provisions of subparagraph d of paragraph  
7 7 of subsection A of Section 3603 of this title.

8 J. Upon approval of such an application, the Department shall  
9 notify the Tax Commission and shall provide it with a copy of the  
10 contract and the results of the cost/benefit analysis. The Tax  
11 Commission may require the qualified establishment to submit such  
12 additional information as may be necessary to administer the  
13 provisions of the Oklahoma Quality Jobs Program Act. The approved  
14 establishment shall file quarterly claims with the Tax Commission  
15 and shall continue to file such quarterly claims during the ten-year  
16 incentive period to show its continued eligibility for incentive  
17 payments, as provided in Section 3606 of this title, or until it is  
18 no longer qualified to receive incentive payments. The  
19 establishment may be audited by the Tax Commission to verify such  
20 eligibility. Once the establishment is approved, an agreement shall  
21 be deemed to exist between the establishment and the State of  
22 Oklahoma, requiring the continued incentive payment to be made as  
23 long as the establishment retains its eligibility as defined in and  
24 established pursuant to this section and Sections 3603 and 3606 of

1 this title and within the limitations contained in the Oklahoma  
2 Quality Jobs Program Act, which existed at the time of such  
3 approval. An establishment described in this subsection shall be  
4 required to repay all incentive payments received under the Oklahoma  
5 Quality Jobs Program Act if the establishment is determined by the  
6 Oklahoma Tax Commission to no longer have business operations in the  
7 state within three (3) years from the beginning of the calendar  
8 quarter for which the first incentive payment claim is filed.

9 K. A municipality with a population of less than one hundred  
10 thousand (100,000) persons in which an establishment eligible to  
11 receive quarterly incentive payments pursuant to the provisions of  
12 this section is located may file a claim with the Tax Commission for  
13 up to twenty-five percent (25%) of the amount of such payment. The  
14 amount of such claim shall not exceed amounts paid by the  
15 municipality for direct costs of municipal infrastructure  
16 improvements to provide water and sewer service to the  
17 establishment. Such claim shall not be approved by the Tax  
18 Commission unless the municipality and the establishment have  
19 entered into a written agreement for such claims to be filed by the  
20 municipality prior to submission of the application of the  
21 establishment pursuant to the provisions of this section. If such  
22 claim is approved, the amount of the payment to the establishment  
23 made pursuant to the provisions of Section 3606 of this title shall  
24 be reduced by the amount of the approved claim by the municipality

1 and the Tax Commission shall issue a warrant to the municipality in  
2 the amount of the approved claim in the same manner as warrants are  
3 issued to qualifying establishments.

4 L. For any contract executed by an establishment on or after  
5 ~~the effective date of this act~~ August 2, 2018, five percent (5%) of  
6 the quarterly incentive payment amount shall be transferred by the  
7 Oklahoma Tax Commission to the Oklahoma Quick Action Closing Fund.

8 SECTION 2. AMENDATORY 68 O.S. 2021, Section 3604.1, is  
9 amended to read as follows:

10 Section 3604.1. A. A qualified federal contractor may receive  
11 quarterly incentive payments for renewable ten-year periods from the  
12 Oklahoma Tax Commission pursuant to the provisions of the Oklahoma  
13 Quality Jobs Program Act and the provisions of this section.

14 B. The amount of such payments shall be equal to a net benefit  
15 rate of not less than twenty-five hundredths of one percent (0.25%),  
16 but not greater than two percent (2%), multiplied by the total  
17 qualified labor hours worked by employees of the federal contractor  
18 or employees of a qualified federal subcontractor, or both, pursuant  
19 to a qualified federal contract for a calendar quarter as verified  
20 by the Oklahoma Employment Security Commission and certified by a  
21 qualified federal contractor verifier. The net benefit rate for a  
22 qualified federal contractor shall be scaled to annual  
23 subcontracting goals that account for both total qualified  
24 subcontract labor hours and the ratio of qualified subcontract labor

1 hours to total qualified labor hours. Unless limited by the  
2 cost/benefit analysis, the net benefit rate shall:

3 1. Not exceed twenty-five hundredths of one percent (0.25%)  
4 when annual qualified subcontract labor hours are less than Two  
5 Hundred Thousand Dollars (\$200,000.00) or when annual qualified  
6 subcontract labor is less than one percent (1%) of the annual total  
7 qualified labor hours claimed;

8 2. Not be less than five-tenths of one percent (0.5%) when  
9 subcontract goals are met with a minimum of Two Hundred Thousand  
10 Dollars (\$200,000.00) of annual total qualified subcontractor labor  
11 hours and these hours are a minimum of one percent (1%) of the  
12 annual total qualified hours claimed;

13 3. Not be less than one percent (1%) when subcontract goals are  
14 met with a minimum of One Million Dollars (\$1,000,000.00) of annual  
15 total qualified subcontractor labor hours and when these hours  
16 represent a minimum of five percent (5%) of the annual total  
17 qualified hours claimed;

18 4. Not be less than one and five-tenths percent (1.5%) when  
19 subcontract goals are met with a minimum of Two Million Dollars  
20 (\$2,000,000.00) of annual total qualified subcontractor labor hours  
21 and these hours are a minimum of ten percent (10%) of the annual  
22 total qualified hours claimed; and

23 5. Not be less than two percent (2.0%) when subcontract goals  
24 are met with a minimum of Four Million Dollars (\$4,000,000.00) of  
25

1 annual total qualified subcontractor labor hours and these hours are  
2 a minimum of twenty percent (20%) of the annual total qualified  
3 hours claimed.

4 C. In order to receive incentive payments, a qualified federal  
5 contractor shall apply to the Oklahoma Department of Commerce within  
6 one hundred eighty (180) days following the date of the award of a  
7 qualified federal contract or award of a new qualified subcontract  
8 under an existing qualified federal contract. The application shall  
9 be on a form prescribed by the Department and shall contain such  
10 information as may be required by the Department to determine if the  
11 applicant is qualified. Once qualified by the Department, the  
12 applicant shall submit qualified federal contracts to the federal  
13 contract verifier. The federal contract verifier shall establish  
14 with the applicant an information system(s) or contract(s) as may be  
15 required to certify the total qualified labor hours, qualified labor  
16 rates, and reimbursement through the qualified federal contract. A  
17 qualified federal contractor may apply for an effective date for a  
18 project, which shall not be more than ~~twenty-four (24) months~~ twelve  
19 (12) months from the date the application is submitted to the  
20 Department. No state agency shall be required to make any payment  
21 to a qualified federal contract verifier for any information needed  
22 by the agency to perform any duty imposed upon it pursuant to the  
23 provisions of Section 3601 et seq. of this title. All costs for the  
24 federal contract verifier shall be reimbursed through value-added

1 services on the qualified federal contract or other mechanisms  
2 agreed to by the federal contractor verifier and the federal  
3 contract performers.

4 D. In order to qualify to receive incentive payments as  
5 authorized by the Oklahoma Quality Jobs Program Act, in addition to  
6 other qualifications specified herein, a qualified federal  
7 contractor shall be required to pay direct jobs an average  
8 annualized wage, both at the effective date of the agreement and the  
9 beginning of the sixth year of the agreement, which equals or  
10 exceeds:

11 1. One hundred ten percent (110%) of the average county wage as  
12 determined by the Department of Commerce based on the most recent  
13 U.S. Department of Commerce data for the county in which the new  
14 direct jobs are located. For purposes of this paragraph, health  
15 care premiums paid by the applicant for individuals in new direct  
16 jobs shall be included in the annualized wage; or

17 2. One hundred percent (100%) of the average county wage as  
18 that percentage is determined by the Department of Commerce based  
19 upon the most recent U.S. Department of Commerce data for the county  
20 in which the new jobs are located. For purposes of this paragraph,  
21 health care premiums paid by the applicant for individuals in new  
22 direct jobs shall not be included in the annualized wage.

23 Provided, no average wage requirement shall exceed Twenty-nine  
24 Thousand Four Hundred Nine Dollars (\$29,409.00), in any county, for

1 applications received before January 1, 2023. This maximum wage  
2 threshold shall be indexed and modified from time to time based on  
3 the latest Consumer Price Index year-to-date percent change release  
4 as of the date of the annual average county wage data release from  
5 the Bureau of Economic Analysis of the U.S. Department of Commerce.

6 3. For qualified subcontractor work, the qualified federal  
7 contractor shall have a minimum average qualified labor rate  
8 requirement paid to the subcontractor of Thirty-one Dollars (\$31.00)  
9 per hour, in any county. This maximum wage threshold shall be  
10 indexed and modified from time to time based on the latest Consumer  
11 Price Index year-to-date percent change release as of the date of  
12 the annual average county wage data release from the Bureau of  
13 Economic Analysis of the U.S. Department of Commerce.

14 E. The Department shall determine if the applicant is qualified  
15 to receive incentive payments using information supplied to the  
16 Department by the qualified federal contractor verifier. The NAICS  
17 code or codes under which the federal government awarded the  
18 qualified federal contract shall be used to determine the basic  
19 industry for a qualified federal contractor. For federal contracts  
20 awarded under NAICS codes not within the definition of basic  
21 industry pursuant to paragraph 1 of subsection A of Section 3603 of  
22 this title, the Department of Commerce, with the federal contract  
23 verifier, may evaluate and utilize individual statement of work  
24 items that would qualify within a basic industry definition.



1 F. If the applicant is determined to be qualified by the  
2 Department, the Department shall conduct a cost/benefit analysis to  
3 determine the estimated net direct state benefits and the net  
4 benefit rate, as provided by subsection B of this section,  
5 applicable for a ten-year period beginning with the first complete  
6 calendar quarter following the start date and to estimate the amount  
7 of gross payroll and total qualified labor hours for a ten-year  
8 period beginning with the first complete calendar quarter following  
9 the start date. In conducting such cost/benefit analysis, the  
10 Department shall consider quantitative factors, such as the  
11 anticipated level of new tax revenues to the state along with the  
12 added cost to the state of providing services, and such other  
13 criteria as deemed appropriate by the Department. In no event shall  
14 incentive payments, cumulatively, exceed the estimated net direct  
15 state benefits. Using this net cost/benefit analysis model, the  
16 Department may establish the renewable ten-year contract with a  
17 qualified federal contractor at the entity level to encompass any  
18 current or future qualified federal contracts that meet the  
19 cost/benefit analysis metrics as determined by the federal  
20 contractor verifier and confirmed by the Department.

21 G. Upon approval of such an application, the Department shall  
22 notify the Tax Commission and shall provide it with a copy of the  
23 contract that has been cosigned by the federal contractor verifier  
24 and the results of the cost/benefit analysis. The Tax Commission

1 may require the qualified federal contractor, federal contract  
2 verifier, and qualified subcontractors to submit such additional  
3 information as may be necessary to administer the provisions of the  
4 Oklahoma Quality Jobs Program Act. The approved qualified federal  
5 contractor shall file quarterly claims with the Tax Commission and  
6 shall continue to file such quarterly claims during the ten-year  
7 incentive period to show its continued eligibility for incentive  
8 payments, as provided in Section 3606 of this title, or until it is  
9 no longer qualified to receive incentive payments. The qualified  
10 federal contractor may be audited by the Tax Commission to verify  
11 such eligibility. Once the qualified federal contractor is  
12 approved, an agreement shall be deemed to exist between the  
13 qualified federal contractor and the State of Oklahoma, requiring  
14 the continued incentive payment to be made as long as the qualified  
15 federal contractor retains its eligibility as defined in and  
16 established pursuant to this section and Sections 3603 and 3606 of  
17 this title and within the limitations contained in the Oklahoma  
18 Quality Jobs Program Act, which existed at the time of such  
19 approval.

20 H. For qualified federal contracts with periods of performance  
21 exceeding two (2) years, if the actual annual verified gross  
22 qualified labor hours for four (4) consecutive calendar quarters  
23 does not equal or exceed Two Million Five Hundred Thousand Dollars  
24 (\$2,500,000.00) within three (3) years of the start date, or does

1 not equal or exceed actual annual gross qualified labor hours of Two  
2 Million Five Hundred Thousand Dollars (\$2,500,000.00) at any other  
3 time during the ten-year period after the start date, the incentive  
4 payments shall not be made and shall not be resumed until such time  
5 as the actual annual qualified labor hours exceed Two Million Five  
6 Hundred Thousand Dollars (\$2,500,000.00).

7 I. If the average annualized wage or minimum average qualified  
8 labor rate required by subsection H of this section is not met  
9 during any calendar quarter, the incentive payments shall not be  
10 made and shall not be resumed until such time as such requirements  
11 are met.

12 J. Before approving a quarterly incentive payment for a  
13 qualified federal contract, the federal contract verifier must first  
14 determine through the Department that neither the qualified federal  
15 contractor nor the subcontractor are receiving incentive payments  
16 under the Oklahoma Quality Jobs Program Act, the Saving Quality Jobs  
17 Act, the 21st Century Quality Jobs Incentive Act or the Former  
18 Military Facility Development Act for the performance of the same  
19 such services under the qualified federal contract and is not  
20 qualified for approval of an application for incentive payments  
21 under the Oklahoma Quality Jobs Program Act, the Saving Quality Jobs  
22 Act, the 21st Century Quality Jobs Incentive Act or the Former  
23 Military Facility Development Act for the performance of the same  
24 such services under the qualified federal contract. If the

1 qualified federal contractor or the subcontractor are receiving or  
2 have an approved application for incentive payments under the  
3 Oklahoma Quality Jobs Program Act, the Saving Quality Jobs Act, the  
4 21st Century Quality Jobs Incentive Act or the Former Military  
5 Facility Development Act for the performance of the same such  
6 services under the qualified federal contract, each may choose to  
7 defer in part or in entirety the other incentives for the qualified  
8 federal contractor to receive the incentives pursuant to subsection  
9 B of this section. The federal contract verifier shall confirm any  
10 deferrals and ensure the total for all quality jobs incentive  
11 payments on any individual does not exceed the total net benefit to  
12 the state. Should neither the federal contractor nor the  
13 subcontractor defer in part or in entirety their incentive payments  
14 such that the total for all Quality Jobs incentive payments exceeds  
15 the total net benefit to the state, the priority for incentive  
16 payments shall go to the entity with the earliest recognized start  
17 date ~~identified~~ identified within the current Department of  
18 Commerce Quality Jobs contract.

19 SECTION 3. This act shall become effective November 1, 2022.

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21 58-2-2937 QD 1/20/2022 7:29:04 PM  
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