

1 ENGROSSED SENATE AMENDMENT
TO

2 ENGROSSED HOUSE
3 BILL NO. 3959

By: Echols and May of the House

4 and

5 Treat of the Senate

6
7 An Act relating to revenue and taxation; providing
8 incentives for certain establishments related to
9 professional sports; prescribing requirements for
10 qualification for incentives; providing for cost-
11 benefit analysis; providing for repayment of
12 incentives based on certain circumstances; providing
13 for transfer of certain monies to Quick Action
14 Closing Fund; prescribing procedures for claims;
15 providing for cessation of payments under certain
16 circumstances; imposing maximum limit on incentive
17 payments; prescribing method of payment; creating the
18 Oklahoma Five Major Sports Leagues Rebate Payment
19 Fund; providing for apportionment of revenues;
20 providing for expenditures and prescribing procedures
21 related thereto; providing for codification; and
22 providing an effective date.

23 AMENDMENT NO. 1. Page 1, strike the title, enacting clause and
24 entire bill and insert

25 "An Act relating to rebate payment; creating the
26 Oklahoma Five Major Sports Leagues Rebate Program
27 Act; providing short title; providing rebate payments
28 for certain establishments related to professional
29 sports; defining term; prescribing requirements for
30 qualification for rebate payments; providing for
31 cost-benefit analysis; providing for repayment of
32 rebates based on certain circumstances; providing for
33 transfer of certain monies to the Oklahoma Quick

1 Action Closing Fund; prescribing procedures for
2 claims; providing for cessation of payments under
3 certain circumstances; imposing maximum limit on
4 rebate payments; prescribing method of payment;
5 creating the Oklahoma Five Major Sports Leagues
6 Rebate Payment Fund; providing for apportionment of
7 revenues; providing for expenditures and prescribing
8 procedures related thereto; providing for
9 noncodificaton; providing for codification; and
10 providing an effective date.

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

12 SECTION 1. NEW LAW A new section of law not to be
13 codified in the Oklahoma Statutes reads as follows:

14 This act shall be known and may be cited as the "Oklahoma Five
15 Major Sports Leagues Rebate Program Act".

16 SECTION 2. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 3951 of Title 68, unless there
18 is created a duplication in numbering, reads as follows:

19 A. An establishment which meets the qualifications specified in
20 the Oklahoma Five Major Sports Leagues Rebate Program Act may
21 receive quarterly rebate payments from the Oklahoma Tax Commission
22 pursuant to the provisions of the Oklahoma Quality Jobs Program Act;
23 provided, such an establishment defined or classified in the NAICS
24 Manual under U.S. Industry No. 711211 (2007 version) and which is a
professional sports team from one of the five major sports leagues
(National Football League, or NFL; National Basketball Association,
or NBA; National Hockey League, or NHL; Major League Baseball, or

1 MLB; and Major League Soccer, or MLS) may receive quarterly rebate
2 payments for the period of time that the establishment is located
3 and performs in this state. The amount of payment shall be equal to
4 the net benefit rate multiplied by the actual gross payroll of
5 sports-league jobs for a calendar quarter as verified by the
6 Oklahoma Employment Security Commission.

7 1. Any establishment or entity with a NAICS code classified as
8 711211 and which is a professional sports team from one of the five
9 major sports leagues (NFL, NBA, NHL, MLB, and MLS) that entered into
10 a contract for the Quality Jobs Incentive Program with the Oklahoma
11 Department of Commerce shall only be eligible to qualify for this
12 program once the Quality Jobs contract expires or is terminated.

13 2. Based upon the effective date upon which the first rebate
14 payment is to be received, an establishment or entity may receive
15 quarterly rebate payments. However, the total yearly (or four
16 consecutive) rebate payments shall not exceed Ten Million Dollars
17 (\$10,000,000.00) in any single year.

18 3. As used in this act, "sports-league jobs" means:

- 19 a. full-time-equivalent employment in this state in an
20 establishment which has qualified to receive a payment
21 pursuant to the provisions of the Oklahoma Five Major
22 Sports Leagues Rebate Program Act, and
23 b. shall include full-time-equivalent employment in this
24 state of employees who are employed by an employment

1 agency or similar entity other than the establishment
2 which has qualified to receive a payment and who are
3 leased or otherwise provided under contract to the
4 qualified establishment if the job otherwise qualifies
5 as a sports-league job.

6 Sports-league jobs shall not include compensation paid to an
7 employee or independent contractor for an athletic contest conducted
8 in the state if the compensation is paid by an entity that does not
9 have its principal place of business in the state or that does not
10 own real or personal property having a market value of at least One
11 Million Dollars (\$1,000,000.00) located in the state, and the
12 employees or independent contractors of such entity are compensated
13 to compete against the employees or independent contractors of an
14 establishment that qualifies for rebate payments pursuant to this
15 act and which is organized under Oklahoma law or that is lawfully
16 registered to do business in the state and which does have its
17 principal place of business located in the state and owns real or
18 personal property having a market value of at least One Million
19 Dollars (\$1,000,000.00) located in the state.

20 B. In order to receive rebate payments, an establishment shall
21 apply to the Oklahoma Department of Commerce. The application shall
22 be on a form prescribed by the Department and shall contain such
23 information as may be required by the Department to determine if the
24 applicant is qualified.

1 C. Except as otherwise provided by this section, in order to
2 qualify to receive payments, the establishment applying shall be
3 required to:

4 1. Have an annual gross payroll for sports-league jobs
5 projected by the Department to equal or exceed Ten Million Dollars
6 (\$10,000,000.00) within one (1) year of the first complete calendar
7 quarter following the start date; and

8 2. Have a number of full-time-equivalent employees subject to
9 the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes
10 and working an annual average of thirty (30) or more hours per week
11 in sports-league jobs located in this state equal to or in excess of
12 eighty percent (80%) of the total number of sports-league jobs.

13 D. Upon approval of an application, the Department shall notify
14 the Tax Commission and shall provide it with a copy of the contract
15 and the results of the cost-benefit analysis. The Tax Commission
16 may require the qualified establishment to submit additional
17 information as may be necessary to administer the provisions of the
18 Oklahoma Five Major Sports Leagues Rebate Program Act. The approved
19 establishment shall file quarterly claims with the Tax Commission
20 and shall continue to file such quarterly claims during the period
21 in which the establishment or entity from one of the five major
22 sports leagues is located and performs in this state to show its
23 continued eligibility for rebate payments, or until it is no longer
24 qualified to receive rebate payments. The establishment or entity

1 may be audited by the Tax Commission to verify eligibility. Once
2 the establishment or entity is approved, an agreement shall be
3 deemed to exist between the establishment and this state, requiring
4 the continued rebate payment to be made as long as the establishment
5 or entity retains its eligibility as defined in and established
6 pursuant to this section and within the limitations contained in the
7 Oklahoma Five Major Sports Leagues Rebate Program Act, which existed
8 at the time of approval. An establishment or entity described in
9 this subsection shall be required to repay all rebate payments
10 received under the Oklahoma Five Major Sports Leagues Rebate Program
11 Act if the establishment or entity is determined by the Tax
12 Commission to no longer have business operations in the state within
13 three (3) years from the beginning of the calendar quarter for which
14 the first rebate payment claim is filed.

15 E. For any contract executed by an establishment or entity
16 pursuant to this act, five percent (5%) of the quarterly rebate
17 payment amount shall be transferred by the Tax Commission to the
18 Oklahoma Quick Action Closing Fund.

19 SECTION 3. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 3952 of Title 68, unless there
21 is created a duplication in numbering, reads as follows:

22 A. As soon as practicable after the end of the first complete
23 calendar quarter following the start date, the establishment or
24 entity shall file a claim for the payment with the Oklahoma Tax

1 Commission and shall specify the actual number and gross payroll of
2 sports-league jobs for the establishment or entity for the calendar
3 quarter. The Tax Commission shall verify the actual gross payroll
4 for sports-league jobs for the establishment for such calendar
5 quarter. If the Tax Commission is not able to provide verification
6 utilizing all available resources, the Tax Commission may request
7 additional information from the establishment or entity as may be
8 necessary or may request the establishment to revise its claim. An
9 establishment or entity may file for an extension of the initial
10 filing date with the Oklahoma Department of Commerce. Any such
11 extension shall be based solely upon an extraordinary adverse
12 business circumstance which prevented the establishment or entity
13 from hiring the sports-league jobs as projected. If an
14 establishment or entity fails to file claims as required by this
15 section, it shall forfeit the right to receive any rebate payments
16 after one (1) year from the start date. If an establishment or
17 entity has filed at least one claim pursuant to this section but
18 fails to file another claim within two (2) years of the most recent
19 claim, the Tax Commission, after consulting with the Oklahoma
20 Department of Commerce, may dismiss the establishment from the
21 program, forfeiting the right of the establishment or entity to
22 receive rebate payments based on that contract.

23 B. If the actual verified gross payroll for four (4)
24 consecutive calendar quarters does not equal or exceed the

1 applicable total required by this act within three (3) years of the
2 start date, or does not equal or exceed the applicable total
3 required by Section 3604 of Title 68 of the Oklahoma Statutes at any
4 other time during the entire period after the start date for
5 establishments defined or classified in the NAICS Manual under U.S.
6 Industry No. 711211 (2007 version) and which are a professional
7 sports team from one of the five major sports leagues (NFL, NBA,
8 NHL, MLB, and MLS), the rebate payments shall not be made and shall
9 not be resumed until such time as the actual verified gross payroll
10 equals or exceeds the applicable amounts specified in Section 3604
11 of Title 68 of the Oklahoma Statutes. If an establishment fails to
12 achieve the required gross payroll within three (3) years of the
13 start date, the establishment shall not make a new or renewal
14 application for rebate payments authorized pursuant to the Oklahoma
15 Five Major Sports Leagues Rebate Program Act for a period of twelve
16 (12) months from the last day of the last month of the three-year
17 period during which the required gross payroll amount was not
18 achieved.

19 C. In no event shall rebate payments cumulatively exceed the
20 estimated net direct state benefits or Ten Million Dollars
21 (\$10,000,000.00) in four (4) consecutive quarters.

22 D. As soon as practicable after verification of the actual
23 gross payroll as required by this section, the Tax Commission shall
24 issue a warrant to the establishment in the amount of the net

1 benefit rate multiplied by the actual gross payroll as determined
2 pursuant to subsection A of this section for the calendar quarter.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3953 of Title 68, unless there
5 is created a duplication in numbering, reads as follows:

6 There is hereby created within the State Treasury a special fund
7 for the Oklahoma Tax Commission to be designated the "Oklahoma Five
8 Major Sports Leagues Rebate Payment Fund". The Tax Commission is
9 hereby authorized and directed to withhold a portion of the taxes
10 levied and collected pursuant to Section 2355 of Title 68 of the
11 Oklahoma Statutes for deposit into the fund. The amount deposited
12 shall equal the sum of an amount determined by multiplying the net
13 benefit rate provided by the Oklahoma Department of Commerce by the
14 gross payroll as determined pursuant to the provisions of this act.
15 All the amounts deposited in the fund shall be used and expended by
16 the Tax Commission solely for the purposes and in the amounts
17 authorized by the Oklahoma Five Major Sports Leagues Rebate Program
18 Act. The liability of the State of Oklahoma to make the rebate
19 payments under this act shall be limited to the balance contained in
20 the fund created by this section.

21 SECTION 5. This act shall become effective November 1, 2024."
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1 Passed the Senate the 24th day of April, 2024.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2024.

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9 Presiding Officer of the House
10 of Representatives

1 ENGROSSED HOUSE
2 BILL NO. 3959

By: Echols and May of the House

3 and

4 Treat of the Senate

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7 An Act relating to revenue and taxation; providing
8 incentives for certain establishments related to
9 professional sports; prescribing requirements for
10 qualification for incentives; providing for cost-
11 benefit analysis; providing for repayment of
12 incentives based on certain circumstances; providing
13 for transfer of certain monies to Quick Action
14 Closing Fund; prescribing procedures for claims;
15 providing for cessation of payments under certain
16 circumstances; imposing maximum limit on incentive
17 payments; prescribing method of payment; creating the
18 Oklahoma Five Major Sports Leagues Rebate Payment
19 Fund; providing for apportionment of revenues;
20 providing for expenditures and prescribing procedures
21 related thereto; providing for codification; and
22 providing an effective date.

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

24 SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 3951 of Title 68, unless there
is created a duplication in numbering, reads as follows:

A. An establishment which meets the qualifications specified in
the Oklahoma Five Major Sports Leagues Rebate Program Act may
receive quarterly rebate payments from the Oklahoma Tax Commission
pursuant to the provisions of the Oklahoma Quality Jobs Program Act;

1 provided, such an establishment defined or classified in the NAICS
2 Manual under U.S. Industry No. 711211 (2007 version) or are a
3 professional sports team from one of the five major sports leagues
4 (NFL, NBA, NHL, MLB, MLS) may receive quarterly rebate payments for
5 the period of time that they are located and perform in Oklahoma.
6 The amount of such payments shall be equal to the net benefit rate
7 multiplied by the actual gross payroll of new direct jobs for a
8 calendar quarter as verified by the Oklahoma Employment Security
9 Commission.

10 1. Any establishment or entity with a NAICS code classified as
11 711211 that entered into a contract for the Quality Jobs Program
12 with the Department of Commerce before the effective date of this
13 act shall only be eligible to qualify for this program once the
14 Quality Jobs contract expires or is terminated.

15 2. The baseline for new direct jobs shall be zero (0).

16 3. Based upon the effective date upon which the first rebate
17 payment is to be received, an establishment or entity may receive
18 quarterly rebate payments. However, the total yearly (or four
19 consecutive) rebate payments shall not exceed Ten Million Dollars
20 (\$10,000,000.00) in any single year.

21 B. In order to receive rebate payments, an establishment shall
22 apply to the Oklahoma Department of Commerce. The application shall
23 be on a form prescribed by the Department and shall contain such
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1 information as may be required by the Department to determine if the
2 applicant is qualified.

3 C. Except as otherwise provided by this section, in order to
4 qualify to receive such payments, the establishment applying shall
5 be required to:

6 1. Have an annual gross payroll for new direct jobs projected
7 by the Department to equal or exceed Ten Million Dollars
8 (\$10,000,000.00) within one (1) year of the first complete calendar
9 quarter following the start date; and

10 2. Have a number of full-time-equivalent employees subject to
11 the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes
12 and working an annual average of thirty (30) or more hours per week
13 in new direct jobs located in this state equal to or in excess of
14 eighty percent (80%) of the total number of new direct jobs.

15 D. Upon approval of such an application, the Department shall
16 notify the Tax Commission and shall provide it with a copy of the
17 contract and the results of the cost-benefit analysis. The Tax
18 Commission may require the qualified establishment to submit such
19 additional information as may be necessary to administer the
20 provisions of the Oklahoma Five Major Sports Leagues Rebate Program
21 Act. The approved establishment shall file quarterly claims with
22 the Tax Commission and shall continue to file such quarterly claims
23 during the period in which the establishment or entity from one of
24 the five major sports leagues is located and performs in Oklahoma to

1 show its continued eligibility for rebate payments, or until it is
2 no longer qualified to receive rebate payments. The establishment
3 or entity may be audited by the Tax Commission to verify such
4 eligibility. Once the establishment or entity is approved, an
5 agreement shall be deemed to exist between the establishment and the
6 State of Oklahoma, requiring the continued rebate payment to be made
7 as long as the establishment or entity retains its eligibility as
8 defined in and established pursuant to this section of Title 68 of
9 the Oklahoma Statutes and within the limitations contained in the
10 Oklahoma Five Major Sports Leagues Rebate Program Act, which existed
11 at the time of such approval. An establishment or entity described
12 in this subsection shall be required to repay all rebate payments
13 received under the Oklahoma Five Major Sports Leagues Rebate Program
14 Act if the establishment or entity is determined by the Oklahoma Tax
15 Commission to no longer have business operations in the state within
16 three (3) years from the beginning of the calendar quarter for which
17 the first incentive payment claim is filed.

18 E. For any contract executed by an establishment or entity on
19 or after August 2, 2018, five percent (5%) of the quarterly
20 incentive payment amount shall be transferred by the Oklahoma Tax
21 Commission to the Oklahoma Quick Action Closing Fund.

22 SECTION 2. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 3952 of Title 68, unless there
24 is created a duplication in numbering, reads as follows:

1 A. As soon as practicable after the end of the first complete
2 calendar quarter following the start date, the establishment or
3 entity shall file a claim for the payment with the Oklahoma Tax
4 Commission and shall specify the actual number and gross payroll of
5 new direct jobs for the establishment or entity for the calendar
6 quarter. The Tax Commission shall verify the actual gross payroll
7 for new direct jobs for the establishment for such calendar quarter.
8 If the Tax Commission is not able to provide such verification
9 utilizing all available resources, the Tax Commission may request
10 such additional information from the establishment or entity as may
11 be necessary or may request the establishment to revise its claim.
12 An establishment or entity may file for an extension of the initial
13 filing date with the Oklahoma Department of Commerce. Any such
14 extension shall be based solely upon an extraordinary adverse
15 business circumstance which prevented the establishment or entity
16 from hiring the new direct jobs as projected. If an establishment
17 or entity fails to file claims as required by this section, it shall
18 forfeit the right to receive any rebate payments after one (1) year
19 from the start date. If an establishment or entity has filed at
20 least one claim pursuant to this section but fails to file another
21 claim within two (2) years of the most recent claim, the Tax
22 Commission, after consulting with the Department of Commerce, may
23 dismiss the establishment from the program, forfeiting the

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1 establishment or entity's right to receive rebate payments based on
2 that contract.

3 B. If the actual verified gross payroll for four (4)
4 consecutive calendar quarters does not equal or exceed the
5 applicable total required by Title 68 of the Oklahoma Statutes
6 within three (3) years of the start date, or does not equal or
7 exceed the applicable total required by Section 3604 of Title 68 of
8 the Oklahoma Statutes at any other time during the entire period
9 after the start date for establishments defined or classified in the
10 NAICS Manual under U.S. Industry No. 711211 (2007 version) or are a
11 professional sports team from one of the five major sports leagues
12 (NFL, NBA, NHL, MLB, MLS), the rebate payments shall not be made and
13 shall not be resumed until such time as the actual verified gross
14 payroll equals or exceeds the amounts specified in Section 3604 of
15 Title 68 of the Oklahoma Statutes. If an establishment fails to
16 achieve the required gross payroll within three (3) years of the
17 start date, the establishment shall not make a new or renewal
18 application for rebate payments authorized pursuant to the Oklahoma
19 Five Major Sports Leagues Rebate Program Act for a period of twelve
20 (12) months from the last day of the last month of the three-year
21 period during which the required gross payroll amount was not
22 achieved.

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1 C. In no event shall rebate payments, cumulatively, exceed the
2 estimated net direct state benefits or Ten Million Dollars
3 (\$10,000,000.00) in four (4) consecutive quarters.

4 D. An establishment or entity that has qualified pursuant to
5 Section 3615 of Title 68 of the Oklahoma Statutes may receive rebate
6 payments only in accordance with the provisions of the law under
7 which it initially applied and was approved.

8 E. As soon as practicable after verification of the actual
9 gross payroll as required by this section, the Tax Commission shall
10 issue a warrant to the establishment in the amount of the net
11 benefit rate multiplied by the actual gross payroll as determined
12 pursuant to subsection A of this section for the calendar quarter.

13 SECTION 3. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 3953 of Title 68, unless there
15 is created a duplication in numbering, reads as follows:

16 There is hereby created within the State Treasury a special fund
17 for the Oklahoma Tax Commission to be designated the "Oklahoma Five
18 Major Sports Leagues Rebate Payment Fund". The Oklahoma Tax
19 Commission is hereby authorized and directed to withhold a portion
20 of the taxes levied and collected pursuant to Section 2355 of Title
21 68 of the Oklahoma Statutes for deposit into the fund. The amount
22 deposited shall equal the sum of an amount determined by multiplying
23 the net benefit rate provided by the Department of Commerce by the
24 gross payroll as determined pursuant to the provisions of this act.

1 All of the amounts deposited in such fund shall be used and expended
2 by the Tax Commission solely for the purposes and in the amounts
3 authorized by the Oklahoma Five Major Sports Leagues Rebate Program
4 Act. The liability of the State of Oklahoma to make the incentive
5 payments under this act shall be limited to the balance contained in
6 the fund created by this section.

7 SECTION 4. This act shall become effective November 1, 2024.

8 Passed the House of Representatives the 6th day of March, 2024.

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Presiding Officer of the House
of Representatives

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Passed the Senate the ____ day of _____, 2024.

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Presiding Officer of the Senate

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