

1 **SENATE FLOOR VERSION**

2 February 20, 2025

3 **AS AMENDED**

4 SENATE BILL NO. 820

5 By: Boren

6 [incentives - sports leagues - effective date]

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

10 SECTION 1. AMENDATORY Section 2, Chapter 298, O.S.L.
11 2024 (68 O.S. Supp. 2024, Section 3951), is amended to read as
12 follows:

13 Section 3951. A. An establishment which meets the
14 qualifications specified in the Oklahoma ~~Five~~ Major Sports Leagues
15 Rebate Program Act may receive quarterly rebate payments from the
16 Oklahoma Tax Commission pursuant to the provisions of the Oklahoma
17 Quality Jobs Program Act; provided, such an establishment defined or
18 classified in the NAICS Manual under U.S. Industry No. 711211 (2007
19 version) and which is a professional sports team from one of the
20 ~~five~~ major sports leagues (National Football League, or NFL;
21 National Basketball Association, or NBA; National Hockey League, or
22 NHL; Major League Baseball, or MLB; ~~and~~ Major League Soccer, or MLS;
23 Women's National Basketball Association, or WNBA; Women's
24 Professional Fastpitch, or WPF; and National Women's Soccer League,

1 or NWSL) may receive quarterly rebate payments for the period of
2 time that the establishment is located and performs in this state.
3 The amount of payment shall be equal to the net benefit rate
4 multiplied by the actual gross payroll of sports-league jobs for a
5 calendar quarter as verified by the Oklahoma Employment Security
6 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, WNBA, WPF, and
10 NWSL) that entered into a contract for the Quality Jobs Incentive
11 Program with the Oklahoma Department of Commerce shall only be
12 eligible to qualify for this program once the Quality Jobs contract
13 expires or is terminated.

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

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

20 a. full-time-equivalent employment in this state in an
21 establishment which has qualified to receive a payment
22 pursuant to the provisions of the Oklahoma ~~Five~~ Major
23 Sports Leagues Rebate Program Act, and
24

1 b. shall include full-time-equivalent employment in this
2 state of employees who are employed by an employment
3 agency or similar entity other than the establishment
4 which has qualified to receive a payment and who are
5 leased or otherwise provided under contract to the
6 qualified establishment if the job otherwise qualifies
7 as a sports-league job.

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

22 B. In order to receive rebate payments, an establishment shall
23 apply to the Oklahoma Department of Commerce. The application shall
24 be on a form prescribed by the Department and shall contain such

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 payments, the establishment applying shall be
5 required to:

6 1. Have an annual gross payroll for sports-league jobs
7 projected 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 sports-league jobs located in this state equal to or in excess of
14 eighty percent (80%) of the total number of sports-league jobs.

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

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

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

21 SECTION 2. AMENDATORY Section 3, Chapter 298, O.S.L.
22 2024 (68 O.S. Supp. 2024, Section 3952), is amended to read as
23 follows:
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1 Section 3952. A. As soon as practicable after the end of the
2 first complete calendar quarter following the start date, the
3 establishment or entity shall file a claim for the payment with the
4 Oklahoma Tax Commission and shall specify the actual number and
5 gross payroll of sports-league jobs for the establishment or entity
6 for the calendar quarter. The Tax Commission shall verify the
7 actual gross payroll for sports-league jobs for the establishment
8 for such calendar quarter. If the Tax Commission is not able to
9 provide verification utilizing all available resources, the Tax
10 Commission may request additional information from the establishment
11 or entity as may be necessary or may request the establishment to
12 revise its claim. An establishment or entity may file for an
13 extension of the initial filing date with the Oklahoma Department of
14 Commerce. Any such extension shall be based solely upon an
15 extraordinary adverse business circumstance which prevented the
16 establishment or entity from hiring the sports-league jobs as
17 projected. If an establishment or entity fails to file claims as
18 required by this section, it shall forfeit the right to receive any
19 rebate payments after one (1) year from the start date. If an
20 establishment or entity has filed at least one claim pursuant to
21 this section but fails to file another claim within two (2) years of
22 the most recent claim, the Tax Commission, after consulting with the
23 Oklahoma Department of Commerce, may dismiss the establishment from

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1 the program, forfeiting the right of the establishment or entity to
2 receive rebate payments based on 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 this act within three (3) years of the
6 start date, or does not equal or exceed the applicable total
7 required by Section 3604 of Title 68 of the Oklahoma Statutes at any
8 other time during the entire period after the start date for
9 establishments defined or classified in the NAICS Manual under U.S.
10 Industry No. 711211 (2007 version) and which are a professional
11 sports team from one of the ~~five~~ major sports leagues (NFL, NBA,
12 NHL, MLB, ~~and~~ MLS, WNBA, WPF, and NWSL), the rebate payments shall
13 not be made and shall not be resumed until such time as the actual
14 verified gross payroll equals or exceeds the applicable amounts
15 specified in Section 3604 of Title 68 of the Oklahoma Statutes. If
16 an establishment fails to achieve the required gross payroll within
17 three (3) years of the start date, the establishment shall not make
18 a new or renewal application for rebate payments authorized pursuant
19 to the Oklahoma ~~Five~~ Major Sports Leagues Rebate Program Act for a
20 period of twelve (12) months from the last day of the last month of
21 the three-year period during which the required gross payroll amount
22 was not 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. As soon as practicable after verification of the actual
5 gross payroll as required by this section, the Tax Commission shall
6 issue a warrant to the establishment in the amount of the net
7 benefit rate multiplied by the actual gross payroll as determined
8 pursuant to subsection A of this section for the calendar quarter.

9 SECTION 3. AMENDATORY Section 4, Chapter 298, O.S.L.
10 2024 (68 O.S. Supp. 2024, Section 3953), is amended to read as
11 follows:

12 Section 3953. There is hereby created within the State Treasury
13 a special fund for the Oklahoma Tax Commission to be designated the
14 "Oklahoma ~~Five~~ Major Sports Leagues Rebate Payment Fund". The Tax
15 Commission is hereby authorized and directed to withhold a portion
16 of the taxes levied and collected pursuant to Section 2355 of Title
17 68 of the Oklahoma Statutes for deposit into the fund. The amount
18 deposited shall equal the sum of an amount determined by multiplying
19 the net benefit rate provided by the Oklahoma Department of Commerce
20 by the gross payroll as determined pursuant to the provisions of
21 this act. All the amounts deposited in the fund shall be used and
22 expended by the Tax Commission solely for the purposes and in the
23 amounts authorized by the Oklahoma ~~Five~~ Major Sports Leagues Rebate
24 Program Act. The liability of the State of Oklahoma to make the

1 rebate payments under this act shall be limited to the balance
2 contained in the fund created by this section.

3 SECTION 4. This act shall become effective November 1, 2025.

4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
5 February 20, 2025 - DO PASS
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