

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 2071

6 By: Liebmann

7 COMMITTEE SUBSTITUTE

8 ( economic development - Oklahoma Quality Events  
9 Incentive Act - legislative findings - special  
10 event areas - procedures - Quality Events Incentive  
11 Revolving Fund - codification - effective date -  
12 emergency )

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

16 SECTION 1. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 4301 of Title 68, unless there  
18 is created a duplication in numbering, reads as follows:

19 This act shall be known and may be cited as the "Oklahoma  
20 Quality Events Incentive Act".

21 SECTION 2. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 4302 of Title 68, unless there  
23 is created a duplication in numbering, reads as follows:

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1       The Legislature finds that certain special events conducted  
2 within the corporate limits of municipalities or conducted in  
3 unincorporated areas have a significant economic impact. In order  
4 to assist major metropolitan areas with the promotion of such events  
5 and to assist the promoters and organizers of such events with the  
6 planning and performance of such events, the Legislature finds that  
7 it is in furtherance of an essential governmental function to  
8 provide a method by which an eligible municipality or an eligible  
9 county may utilize a portion of the state sales tax revenues derived  
10 from taxable transactions occurring within a designated area to  
11 promote certain qualifying events. The State of Oklahoma has a  
12 legitimate interest in economic development related to the  
13 occurrence of special events and the Legislature finds that the use  
14 of state sales tax revenues authorized by this act provides a method  
15 by which the state can compete successfully in a national and global  
16 economy against other jurisdictions offering similar incentives for  
17 such events.

18       SECTION 3.       NEW LAW       A new section of law to be codified  
19 in the Oklahoma Statutes as Section 4303 of Title 68, unless there  
20 is created a duplication in numbering, reads as follows:

21       As used in this act:

22       1. "Certified sponsor" means an entity or organization, whether  
23 organized for profit or nonprofit, incurring expenses for the  
24 promotion of a special event to be conducted within the corporate

1 limits of an eligible municipality or within an unincorporated area  
2 surrounded by municipally incorporated areas and which is recognized  
3 by an eligible municipality or an eligible county, respectively, as  
4 the entity authorized to promote and conduct a special event;

5 2. "Eligible county" means any county of the state;

6 3. "Eligible municipality" means any incorporated city or town;

7 4. "Incremental sales tax revenues" means the amount of sales  
8 tax revenue in excess of the base amount of sales tax revenue  
9 established within a special event area for purposes of the  
10 computation required by subsection A of Section 6 of this act;

11 5. "Revenue capture period" means a date no earlier than sixty  
12 (60) days prior to the special event date or first day upon which  
13 special event activities occur and a date no later than sixty (60)  
14 days after the conclusion of the special event date or the last day  
15 upon which special event activities occur;

16 6. "Special event" means an exhibition, a livestock event, an  
17 agricultural event, sporting event, trade show, or a meeting of a  
18 nationally recognized organization or its members;

19 7. "Special event area" means that area designated by an  
20 eligible municipality or by an eligible county pursuant to Section 4  
21 of this act within the corporate limits of the municipality or in an  
22 unincorporated area determined to benefit from the occurrence of a  
23 special event, the preparation for the special event, and activity  
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1 occurring in connection with the dissolution or winding up of a  
2 special event;

3 8. "State sales tax revenue" means a portion of the proceeds  
4 from the state sales tax levy imposed pursuant to Section 1354 of  
5 Title 68 of the Oklahoma Statutes upon taxable transactions  
6 occurring within the special event area during the authorized  
7 revenue capture period; and

8 9. "Vendors" means those persons or business entities making  
9 taxable sales of tangible personal property or services within a  
10 special event area and unless the context otherwise requires shall  
11 have the same meaning as defined by Section 1352 of Title 68 of the  
12 Oklahoma Statutes.

13 SECTION 4. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 4304 of Title 68, unless there  
15 is created a duplication in numbering, reads as follows:

16 A. No earlier than one (1) year prior to the initial date of a  
17 special event and not later than ninety (90) days prior to the  
18 initial date of a special event, an eligible municipality may  
19 designate an area within its corporate limits or an eligible county  
20 may designate within its unincorporated areas a special event area  
21 for purposes of this act.

22 B. The municipality or county shall notify the Oklahoma Tax  
23 Commission on such form as the Tax Commission may prescribe of the  
24 precise boundary of the special event area. The municipality or

1 county shall determine the area within the corporate limits or  
2 within the unincorporated area constituting the special event area  
3 giving consideration to the economic impact of preparation for a  
4 special event, the economic activity reasonably associated with  
5 activities occurring during the special event, and economic activity  
6 that is reasonably associated with the special event after the event  
7 has concluded.

8 C. A municipality may not designate the entire corporate area  
9 of the municipality as a special event area for purposes of this  
10 act.

11 D. The municipality or county may take into account the total  
12 gross sales made by vendors within the special event area during any  
13 period of time during which no special event activity occurs in  
14 determining the extent to which the special event will have a  
15 significant economic impact within the boundary of the special event  
16 area. A county or municipality shall determine the base amount of  
17 sales tax revenue collected within a special event area in order to  
18 allow the computation of incremental sales tax revenues pursuant to  
19 subsection A of Section 6 of this act.

20 E. The municipality or county shall also determine the length  
21 of the revenue capture period associated with the special event.  
22 The duration of the revenue capture period shall not be greater than  
23 the period defined by paragraph 4 of Section 3 of this act.

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1 F. The Tax Commission shall identify all vendors upon which the  
2 duty to collect sales tax is imposed pursuant to the Oklahoma Sales  
3 Tax Code located or doing business within the special event area  
4 designated by the municipality or county. The Tax Commission shall  
5 notify the vendors of the impending occurrence of a special event.  
6 The Tax Commission shall provide any required instructions to  
7 affected vendors relevant to any duties that may be imposed upon the  
8 vendors with respect to the collection and remittance of sales tax  
9 within the special event area during the revenue capture period.

10 G. The Tax Commission shall notify the vendors within the  
11 designated area of the beginning and ending date for the revenue  
12 capture period if necessary to allow the vendor to perform any  
13 duties imposed pursuant to the provisions of this act.

14 H. The Oklahoma Tax Commission may prescribe special forms or  
15 prescribe by rule special sales tax reporting procedures applicable  
16 to vendors making taxable sales of tangible personal property or  
17 services within the designated special event area in order to  
18 implement the provisions of this act.

19 SECTION 5. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 4305 of Title 68, unless there  
21 is created a duplication in numbering, reads as follows:

22 No proceeds from the levy of any sales tax imposed by a county  
23 or a municipality shall be affected by the provisions of this act  
24 and the proceeds from any such levy shall be collected and remitted

1 as required by the Oklahoma Sales Tax Code. The distribution of the  
2 revenues shall be made in accordance with all applicable  
3 requirements of law with respect to such sales tax levies.

4 SECTION 6. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 4306 of Title 68, unless there  
6 is created a duplication in numbering, reads as follows:

7 A. The Oklahoma Tax Commission shall remit to the Quality  
8 Events Incentive Revolving Fund or to a designated account  
9 established for a specific municipality or a specific county within  
10 such fund fifty percent (50%) of the incremental sales tax revenues  
11 derived from the levy of the state sales tax imposed pursuant to  
12 Section 1354 of Title 68 of the Oklahoma Statutes collected from  
13 vendors making taxable sales within the special event area during an  
14 applicable revenue capture period.

15 B. An eligible municipality or an eligible county shall make  
16 application to the Tax Commission for distribution of revenues  
17 deposited to the credit of the municipality or the county in  
18 connection with a special event. The municipality or county, as  
19 applicable, shall be able to use the captured revenues and may  
20 transfer such revenues to its general fund or such other fund as the  
21 municipality or county shall designate in order to promote and  
22 support a special event.

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1 C. The Oklahoma Tax Commission shall only transfer sales tax  
2 revenues to a county for a special event conducted within a special  
3 event area designated by such county.

4 D. The Oklahoma Tax Commission shall only transfer sales tax  
5 revenue to a municipality for a special event conducted within a  
6 special event area designated by such municipality.

7 SECTION 7. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 4307 of Title 68, unless there  
9 is created a duplication in numbering, reads as follows:

10 There is hereby created in the State Treasury a revolving fund  
11 for the Oklahoma Tax Commission to be designated the "Quality Events  
12 Incentive Revolving Fund". The fund shall be a continuing fund, not  
13 subject to fiscal year limitations, and shall consist of all monies  
14 received by the Oklahoma Tax Commission from the proceeds of the  
15 state sales tax levy as required by this act. All monies accruing  
16 to the credit of said fund are hereby appropriated and may be  
17 budgeted and expended by the Oklahoma Tax Commission for the purpose  
18 of making payments to an eligible municipality or an eligible  
19 county. Expenditures from said fund shall be made upon warrants  
20 issued by the State Treasurer against claims filed as prescribed by  
21 law with the Director of State Finance for approval and payment.

22 SECTION 8. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 4308 of Title 68, unless there  
24 is created a duplication in numbering, reads as follows:

1       A. An eligible municipality or an eligible county shall create  
2 within its general fund a special trust account for the deposit of  
3 sales tax revenues apportioned pursuant to Section 6 of this act.

4       B. A certified sponsor may make application to an eligible  
5 municipality or an eligible county for distribution of revenues in  
6 connection with a special event conducted within the applicable  
7 special event area and promoted or organized by the certified  
8 sponsor.

9       C. The municipality or county shall determine pursuant to  
10 ordinance duly adopted by the governing body of the municipality or  
11 by resolution of the county the type of expenses for which  
12 distribution of captured revenues may be made to a certified  
13 sponsor, including, but not limited to, advertising, facility  
14 rental, promotional materials, security or such other expenses as  
15 the eligible municipality or eligible county may designate.

16       SECTION 9.       NEW LAW       A new section of law to be codified  
17 in the Oklahoma Statutes as Section 4307 of Title 68, unless there  
18 is created a duplication in numbering, reads as follows:

19       An eligible municipality or eligible county shall prescribe  
20 procedures for the method by which eligible expenses may be paid,  
21 the procedures for documentation of the expenses by the certified  
22 sponsor and such other matters as may be required in order to  
23 provide for the distribution of revenues paid to the municipality or  
24 county pursuant to Section 6 of this act.

1 SECTION 10. This act shall become effective July 1, 2007.

2 SECTION 11. It being immediately necessary for the preservation  
3 of the public peace, health and safety, an emergency is hereby  
4 declared to exist, by reason whereof this act shall take effect and  
5 be in full force from and after its passage and approval.

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