

1 ENGROSSED HOUSE AMENDMENT  
TO  
2 ENGROSSED SENATE BILL NO. 1284

By: Stanislawski of the  
Senate

3  
4 and

Liebmann of the House

5  
6  
7  
8 ( economic development - Oklahoma Quality Events  
9 Incentive Act - codification -  
10 effective date )

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12  
13 AUTHORS: Add the following House Coauthors: Hickman and Inman

14 AMENDMENT NO. 1. Strike the stricken title, enacting clause and  
entire bill and insert

15  
16 "( economic development - Oklahoma Quality Events  
17 Incentive Act - codification -  
18 effective date )

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20  
21 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

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

1 Sections 1 through 10 of this act shall be known and may be  
2 cited as the "Oklahoma Quality Events Incentive Act" and shall be in  
3 effect through June 30, 2015.

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

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

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

1 As used in the Oklahoma Quality Events Incentive Act:

2 1. "Certified sponsor" means an entity or organization  
3 authorized to promote and conduct a quality event, which is  
4 incurring expenses for the promotion of such event to be conducted  
5 within the corporate limits of an eligible municipality or an  
6 unincorporated area within a county;

7 2. "Economic impact study" means a study of the geographic area  
8 designated by a host community pursuant to Section 4 of this act,  
9 which includes:

- 10 a. a description and, if applicable, history of the  
11 quality event,
- 12 b. information regarding the site selection process for  
13 the quality event,
- 14 c. an estimate of the expenses anticipated to be incurred  
15 in connection with hosting the quality event,
- 16 d. an estimate of the total gross sales made by vendors  
17 within the designated area during any period of time  
18 during which no quality event activity occurs,
- 19 e. a detailed estimate of the anticipated increase in  
20 sales tax revenue directly attributable to the quality  
21 event,
- 22 f. the general economic impact likely to occur in the  
23 designated area as a result of the preparation for,

1 occurrence of and activity occurring in connection  
2 with the dissolution of, a quality event, and  
3 g. any additional information as the Oklahoma Tax  
4 Commission may require;

5 3. "Eligible local support amounts" means:

- 6 a. any direct payment made by a local government entity  
7 or transfer of monies from the general fund or  
8 transfer of tax revenues derived from a locally  
9 imposed tax to a certified sponsor for the purpose of  
10 attracting, promoting, advertising, organizing,  
11 conducting or otherwise supporting a quality event, or  
12 b. any direct payment made by a certified sponsor to a  
13 for-profit or nonprofit entity, other than the host  
14 community, for the purpose of attracting, promoting,  
15 advertising, organizing, conducting or otherwise  
16 supporting a quality event;

17 4. "Host community" means any county, incorporated city or  
18 town, or any combination of counties, incorporated cities or towns  
19 of the state which are authorized by their respective governing  
20 bodies to host or assist in the presentation of a quality event;

21 5. "Incremental sales tax revenue" means a comparison of the  
22 amount of additional state sales tax revenue, if any, in excess of  
23 the amount of state sales tax revenue collected within a quality  
24 event area during the same month of the preceding year with respect

1 to a new event for purposes of the economic impact study required by  
2 subsection D of Section 4 of this act or a comparison of the amount  
3 of additional sales tax revenue, if any, in excess of the calculated  
4 average amount of sales tax revenue collected in the quality event  
5 area during the same month in the preceding year with respect to a  
6 recurring event for purposes of the economic impact study required  
7 by subsection D of Section 4 of this act. For purposes of computing  
8 sales tax collections as required by this paragraph with respect to  
9 a recurring event, the Oklahoma Tax Commission shall eliminate the  
10 month or months during which a recurring event was conducted in a  
11 prior year and determine the average monthly state sales tax  
12 collections using the remaining months of that year. Such average  
13 monthly sales tax collection figure shall be used to determine  
14 whether a recurring event produces incremental sales tax revenues  
15 for purposes of this act;

16 6. "New event" means a quality event which does not occur  
17 within a period of twenty-four (24) months prior to the month during  
18 which a quality event is held;

19 7. "Quality event" means a new event or meeting of a nationally  
20 recognized organization or its members which is being located at a  
21 site chosen through a competitive site selection process in which at  
22 least one site not located in this state was considered;

23 8. "Quality event area" means a geographic area designated by a  
24 host community pursuant to Section 4 of this act determined to

1 realize direct economic benefit from the preparation for, occurrence  
2 of and activity occurring in connection with the dissolution of, a  
3 quality event; provided, the designated area shall never constitute  
4 an area greater than seven (7) miles from any property line of the  
5 primary property at which the quality event is located. For  
6 purposes of this act the property line shall be based on the legal  
7 description or survey of a single location determined by a host  
8 community to be the primary property for a quality event area;

9 9. "Recurring event" means a quality event which occurs at  
10 least once within the twenty-four (24) months prior to the month  
11 during which a quality event is held;

12 10. "Revenue capture period" means a time period beginning no  
13 earlier than three (3) days prior to the quality event date or the  
14 first day upon which quality event activities occur and ending no  
15 later than three (3) days after the conclusion of the quality event  
16 date or the last day upon which quality event activities occur;

17 11. "State sales tax revenue" means the proceeds from the state  
18 sales tax levy imposed pursuant to Section 1354 of Title 68 of the  
19 Oklahoma Statutes upon taxable transactions occurring within the  
20 quality event area during the authorized revenue capture period; and

21 12. "Vendors" means those persons or business entities making  
22 taxable sales of tangible personal property or services within a  
23 quality event area and, unless the context otherwise requires, shall  
24

1 have the same meaning as defined by Section 1352 of Title 68 of the  
2 Oklahoma Statutes.

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

6 A. Not later than one (1) year prior to the initial date of a  
7 quality event, a host community may designate:

8 1. A geographic area designated as a quality event area;

9 2. A length of time as the revenue capture period; and

10 3. The type of expenses eligible for distribution of captured  
11 revenues to the host community including, but not limited to,  
12 advertising, facility rental, promotional materials and security.

13 B. Any designation made by a host community for purposes of  
14 this act shall be made pursuant to an ordinance or resolution duly  
15 adopted by the governing body of the host community.

16 C. A host community may only designate one quality event within  
17 a quality event area for purposes of the payments authorized by this  
18 act.

19 D. Within ninety (90) days of the date on which the host  
20 community adopts an ordinance or resolution pursuant to subsection B  
21 of this section, such host community shall submit to the Oklahoma  
22 Tax Commission, on such forms as the Tax Commission may prescribe, a  
23 copy of such ordinance or resolution and an economic impact study.

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1 E. Within ninety (90) days from the date of receipt of the  
2 information from the host community as required by subsection D of  
3 this section, the Tax Commission shall approve or disapprove, in  
4 whole or in part, the economic impact study for the purposes of this  
5 act. In making its determination, the Tax Commission shall consider  
6 whether or not the economic impact study contains the elements  
7 required in paragraph 2 of Section 3 of this act and whether or not  
8 the information provided is validly documented and based on  
9 generally accepted economic and statistical standards used for  
10 purposes of similar studies. The Oklahoma Department of Commerce  
11 and the Oklahoma Tourism and Recreation Department shall provide  
12 such assistance and information as requested by the Tax Commission  
13 to approve or disapprove an economic impact study.

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

17 A. The host community shall provide to the Oklahoma Tax  
18 Commission detailed information disclosing the total amount of  
19 eligible local support amounts for purposes of determining the  
20 amount of incremental state sales tax revenue that may be paid to a  
21 host community in which a quality event occurs.

22 B. The Tax Commission shall verify the amount of eligible local  
23 support amounts prior to making any payment to a host community.

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1 C. Within ninety (90) days after the conclusion of a quality  
2 event, the Tax Commission shall determine the amount of incremental  
3 state sales tax revenue remitted by vendors located within the  
4 designated quality event area.

5 D. The Tax Commission shall compare the total amount of  
6 eligible local support amounts with the total amount of incremental  
7 state sales tax revenues remitted by vendors located within the  
8 designated quality event area.

9 E. If the Tax Commission determines that the total amount of  
10 incremental state sales tax revenues is zero, no payment shall be  
11 made to a host community.

12 F. If the Tax Commission determines that the total amount of  
13 incremental state sales tax revenues is greater than zero, but less  
14 than the total amount of eligible local support amounts, the Tax  
15 Commission shall make payment to the host community of the quality  
16 event in an amount equal to the incremental state sales tax  
17 revenues.

18 G. If the Tax Commission determines that the total amount of  
19 incremental state sales tax revenues is at least equal to the amount  
20 of eligible local support amounts, the Tax Commission shall make  
21 payment to the host community in which the quality event occurs in  
22 an amount equal to, but not greater than, the eligible local support  
23 amounts.

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1 H. No payment shall be made to any host community from a source  
2 other than the incremental state sales tax revenues, if any, derived  
3 from state sales tax remittances of vendors located within the  
4 applicable quality event area.

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

8 No proceeds from the levy of any sales tax imposed by a county  
9 or a municipality shall be affected by the provisions of this act  
10 and the proceeds from any such levy shall be collected and remitted  
11 as required by the Oklahoma Sales Tax Code. The distribution of the  
12 revenues shall be made in accordance with all applicable  
13 requirements of law with respect to such sales tax levies.

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

17 After the conclusion of a quality event for which the Oklahoma  
18 Tax Commission has given approval pursuant to subsection E of  
19 Section 4 of this act, and within the time limit prescribed by  
20 Section 5 of this act, the Tax Commission shall utilize the amount  
21 of incremental sales tax revenues derived from the levy of the state  
22 sales tax imposed pursuant to Section 1354 of Title 68 of the  
23 Oklahoma Statutes necessary to make payment to a host community  
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1 based upon eligible local support payments according to the  
2 requirements of Section 5 of this act.

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

6 The Oklahoma Tax Commission may promulgate such rules as may be  
7 necessary to implement the provisions of this act including, but not  
8 limited to, any rules governing the accuracy of the economic impact  
9 study.

10 SECTION 9. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 4309 of Title 68, unless there  
12 is created a duplication in numbering, reads as follows:

13 The Executive Director of the Oklahoma Department of Commerce  
14 shall make a report to the Governor, the Speaker of the House of  
15 Representatives and the President Pro Tempore of the Senate not  
16 later than December 1, 2013, and each December 1 thereafter if this  
17 act is in force and effect, regarding the effect and impact of the  
18 Oklahoma Quality Events Incentive Act.

19 SECTION 10. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 4310 of Title 68, unless there  
21 is created a duplication in numbering, reads as follows:

22 A. A county, city or town that enters into any contract,  
23 memorandum of understanding or other agreement with a person or  
24 lawfully recognized business entity while the Oklahoma Quality

1 Events Incentive Act is in force and effect and in reliance upon the  
2 provisions of the Oklahoma Quality Events Incentive Act shall  
3 receive the payments provided by this act even if the Oklahoma  
4 Quality Events Incentive Act ceases to have the force and effect of  
5 law at any time subsequent to the execution of such contract,  
6 memorandum of understanding or agreement, including any amendments  
7 to such documents if the amendments are incorporated and adopted  
8 while the Oklahoma Quality Events Incentive Act is in force and  
9 effect.

10 B. Any person or lawfully recognized business entity that  
11 enters into a contract, memorandum of understanding or other  
12 agreement with another person or lawfully recognized business entity  
13 while the Oklahoma Quality Events Incentive Act is in force and  
14 effect and in reliance upon the provisions of the Oklahoma Quality  
15 Events Incentive Act shall have the right to enforce the terms of  
16 such contract, memorandum of understanding or agreement with respect  
17 to any amount payable pursuant to the terms of the Oklahoma Quality  
18 Events Incentive Act as of the date upon which such contract,  
19 memorandum of understanding or agreement is executed, including any  
20 amendments to such documents if the amendments are incorporated and  
21 adopted while the Oklahoma Quality Events Incentive Act is in force  
22 and effect.

23 SECTION 11. This act shall become effective July 1, 2012."  
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1 Passed the House of Representatives the 20th day of April, 2010.

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4 Presiding Officer of the House of  
Representatives

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6 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2010.

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9 Presiding Officer of the Senate