

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1284
Page _____ Section _____ Lines _____
Of the printed Bill
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Ken Miller

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 1284

By: Stanislowski of the Senate
and
Liebmann of the House

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8
9 PROPOSED COMMITTEE SUBSTITUTE

10 [economic development - Oklahoma Quality Events

11 Incentive Act - codification -

12 effective date]
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16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

20 Sections 1 through 10 of this act shall be known and may be
21 cited as the "Oklahoma Quality Events Incentive Act" and shall be in
22 effect through June 30, 2015.
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1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 4302 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

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

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

22 As used in the Oklahoma Quality Events Incentive Act:

23 1. "Certified sponsor" means an entity or organization
24 authorized to promote and conduct a quality event, which is

1 incurring expenses for the promotion of such event to be conducted
2 within the corporate limits of an eligible municipality or an
3 unincorporated area within a county;

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

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

1 3. "Eligible local support amounts" means:

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

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

17 5. "Incremental sales tax revenue" means a comparison of the
18 amount of additional state sales tax revenue, if any, in excess of
19 the amount of state sales tax revenue collected within a quality
20 event area during the same month of the preceding year with respect
21 to a new event for purposes of the economic impact study required by
22 subsection D of Section 4 of this act or a comparison of the amount
23 of additional sales tax revenue, if any, in excess of the calculated
24 average amount of sales tax revenue collected in the quality event

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

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

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

19 8. "Quality event area" means a geographic area designated by a
20 host community pursuant to Section 4 of this act determined to
21 realize direct economic benefit from the preparation for, occurrence
22 of and activity occurring in connection with the dissolution of, a
23 quality event; provided, the designated area shall never constitute
24 an area greater than seven (7) miles from any property line of the

1 primary property at which the quality event is located. For
2 purposes of this act the property line shall be based on the legal
3 description or survey of a single location determined by a host
4 community to be the primary property for a quality event area;

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

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

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

17 12. "Vendors" means those persons or business entities making
18 taxable sales of tangible personal property or services within a
19 quality event area and, unless the context otherwise requires, shall
20 have the same meaning as defined by Section 1352 of Title 68 of the
21 Oklahoma Statutes.

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

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

- 3 1. A geographic area designated as a quality event area;
- 4 2. A length of time as the revenue capture period; and
- 5 3. The type of expenses eligible for distribution of captured
6 revenues to the host community including, but not limited to,
7 advertising, facility rental, promotional materials and security.

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

11 C. A host community may only designate one quality event within
12 a quality event area for purposes of the payments authorized by this
13 act.

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

19 E. Within ninety (90) days from the date of receipt of the
20 information from the host community as required by subsection D of
21 this section, the Tax Commission shall approve or disapprove, in
22 whole or in part, the economic impact study for the purposes of this
23 act. In making its determination, the Tax Commission shall consider
24 whether or not the economic impact study contains the elements

1 required in paragraph 2 of Section 3 of this act and whether or not
2 the information provided is validly documented and based on
3 generally accepted economic and statistical standards used for
4 purposes of similar studies. The Oklahoma Department of Commerce
5 and the Oklahoma Tourism and Recreation Department shall provide
6 such assistance and information as requested by the Tax Commission
7 to approve or disapprove an economic impact study.

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

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

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

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

22 D. The Tax Commission shall compare the total amount of
23 eligible local support amounts with the total amount of incremental
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1 state sales tax revenues remitted by vendors located within the
2 designated quality event area.

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

6 F. If the Tax Commission determines that the total amount of
7 incremental state sales tax revenues is greater than zero, but less
8 than the total amount of eligible local support amounts, the Tax
9 Commission shall make payment to the host community of the quality
10 event in an amount equal to the incremental state sales tax
11 revenues.

12 G. If the Tax Commission determines that the total amount of
13 incremental state sales tax revenues is at least equal to the amount
14 of eligible local support amounts, the Tax Commission shall make
15 payment to the host community in which the quality event occurs in
16 an amount equal to, but not greater than, the eligible local support
17 amounts.

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

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

1 No proceeds from the levy of any sales tax imposed by a county
2 or a municipality shall be affected by the provisions of this act
3 and the proceeds from any such levy shall be collected and remitted
4 as required by the Oklahoma Sales Tax Code. The distribution of the
5 revenues shall be made in accordance with all applicable
6 requirements of law with respect to such sales tax levies.

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

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

22 The Oklahoma Tax Commission may promulgate such rules as may be
23 necessary to implement the provisions of this act including, but not
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1 limited to, any rules governing the accuracy of the economic impact
2 study.

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

6 The Executive Director of the Oklahoma Department of Commerce
7 shall make a report to the Governor, the Speaker of the House of
8 Representatives and the President Pro Tempore of the Senate not
9 later than December 1, 2013, and each December 1 thereafter if this
10 act is in force and effect, regarding the effect and impact of the
11 Oklahoma Quality Events Incentive Act.

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

15 A. A county, city or town that enters into any contract,
16 memorandum of understanding or other agreement with a person or
17 lawfully recognized business entity while the Oklahoma Quality
18 Events Incentive Act is in force and effect and in reliance upon the
19 provisions of the Oklahoma Quality Events Incentive Act shall
20 receive the payments provided by this act even if the Oklahoma
21 Quality Events Incentive Act ceases to have the force and effect of
22 law at any time subsequent to the execution of such contract,
23 memorandum of understanding or agreement, including any amendments
24 to such documents if the amendments are incorporated and adopted

1 while the Oklahoma Quality Events Incentive Act is in force and
2 effect.

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

16 SECTION 11. This act shall become effective July 1, 2012.

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