

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 1529

By: Liebmann

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6 AS INTRODUCED

7 An Act relating to economic development; enacting the
8 Oklahoma Quality Events Incentive Act; making
9 legislative findings; defining terms; providing for
10 designations of quality event areas; prescribing
11 procedures; requiring economic impact study; imposing
12 duties upon Oklahoma Tax Commission; requiring
13 approval or disapproval of economic impact study;
14 requiring assistance by Oklahoma Department of
15 Commerce and Oklahoma Department of Tourism and
16 Recreation; imposing duties upon certain host
17 communities; providing for computation of incremental
18 sales tax revenues; providing for payment of
19 incentives; prohibiting certain payments; providing
20 certain sales tax levies not to be affected;
21 providing for remittance to Oklahoma Quality Events
22 Incentive Revolving Fund; creating Quality Events
23 Incentive Revolving Fund; imposing limitations on
24 expenditures; providing for promulgation of rules;
25 requiring report; providing for continuation of
26 Quality Events Incentive Act; providing for
27 successive periods during which Oklahoma Quality
28 Events Incentive Act remains effective; providing for
29 payment of incentives based upon certain contractual
30 obligations; providing for codification; and
31 providing an effective date.

32 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
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1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 4301 of Title 68, unless there
3 is created a duplication in numbering, reads as follows:

4 Sections 1 through 11 of this act shall be known and may be
5 cited as the "Oklahoma Quality Events Incentive Act".

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

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

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

4 As used in this act:

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

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

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

- 1 f. the general economic impact likely to occur in the
2 designated area as a result of the preparation for,
3 occurrence of and activity occurring in connection
4 with the dissolution of, a quality event, and
5 g. any additional information as the Oklahoma Tax
6 Commission may require;

7 3. "Eligible local support amounts" means:

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

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

23 5. "Incremental sales tax revenue" means the amount of state
24 sales tax revenue generated in excess of the base amount of state
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1 sales tax revenue established within a quality event area for
2 purposes of the economic impact study required by subsection C of
3 Section 4 of this act;

4 6. "Quality event" means an event or meeting of a nationally
5 recognized organization or its members which is being located at a
6 site chosen through a competitive site selection process in which at
7 least one site not located in this state was considered;

8 7. "Quality event area" means a geographic area designated by a
9 host community pursuant to Section 4 of this act determined to
10 realize direct economic benefit from the preparation for, occurrence
11 of and activity occurring in connection with the dissolution of, a
12 quality event which shall never constitute an area greater than the
13 boundary of the county in which the quality event is located. If a
14 county is the host community, the quality event area may consist of
15 the unincorporated areas of the county in addition to the
16 incorporated areas of one or more municipalities designated by the
17 county;

18 8. "Revenue capture period" means a time period beginning no
19 earlier than fourteen (14) days prior to the quality event date or
20 the first day upon which quality event activities occur and ending
21 no later than seven (7) days after the conclusion of the quality
22 event date or the last day upon which quality event activities
23 occur;

1 9. "State sales tax revenue" means the proceeds from the state
2 sales tax levy imposed pursuant to Section 1354 of Title 68 of the
3 Oklahoma Statutes upon taxable transactions occurring within the
4 quality event area during the authorized revenue capture period; and

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

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

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

15 1. A geographic area designated as a quality event area by
16 either a county, municipality or a combination of such entities;

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

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

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

1 C. Within ninety (90) days of the date on which the host
2 community adopts an ordinance or resolution pursuant to subsection B
3 of this section, such host community shall submit to the Oklahoma
4 Tax Commission, on such forms as the Tax Commission may prescribe, a
5 copy of such ordinance or resolution and an economic impact study.

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

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 A. The host community shall provide to the Tax Commission
23 detailed information disclosing the total amount of eligible local
24 support amounts for purposes of determining the amount of

1 incremental state sales tax revenue that may be paid to a host
2 community in which a quality event occurs.

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

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

9 D. The Tax Commission shall compare the total amount of
10 eligible local support amounts with the total amount of incremental
11 state sales tax revenues remitted by vendors located within the
12 designated quality event area.

13 E. If the Tax Commission determines that the total amount of
14 incremental state sales tax revenues is zero (0), no payment shall
15 be made to a host community.

16 F. If the Tax Commission determines that the total amount of
17 incremental state sales tax revenues is greater than zero (0), but
18 less than the total amount of eligible local support amounts, the
19 Tax Commission shall make payment to the host community of the
20 quality event in an amount equal to the incremental state sales tax
21 revenues.

22 G. If the Tax Commission determines that the total amount of
23 incremental state sales tax revenues is at least equal to the amount
24 of eligible local support amounts, the Tax Commission shall make

1 payment to the host community in which the quality event occurs in
2 an amount equal to, but not greater than, the eligible local support
3 amounts.

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

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

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

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

20 After the conclusion of a quality event for which the Oklahoma
21 Tax Commission has given approval pursuant to subsection D of
22 Section 4 of this act, and within the time limit prescribed by
23 Section 5 of this act, the Tax Commission shall remit to the Quality
24 Events Incentive Revolving Fund the amount of incremental sales tax

1 revenues derived from the levy of the state sales tax imposed
2 pursuant to Section 1354 of Title 68 of the Oklahoma Statutes
3 necessary to make payment to a host community based upon eligible
4 local support payments according to the requirements of Section 5 of
5 this act.

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

9 A. There is hereby created in the State Treasury a revolving
10 fund for the Oklahoma Tax Commission to be designated the "Quality
11 Events Incentive Revolving Fund". The fund shall be a continuing
12 fund, not subject to fiscal year limitations, and shall consist of
13 all monies received by the Oklahoma Tax Commission from the proceeds
14 of the incremental sales tax revenues pursuant to this act. All
15 monies accruing to the credit of said fund are hereby appropriated
16 and may be budgeted and expended by the Oklahoma Tax Commission for
17 the purpose of making distributions to host communities.

18 Expenditures from said fund shall be made upon warrants issued by
19 the State Treasurer against claims filed as prescribed by law with
20 the Director of State Finance for approval and payment.

21 B. Notwithstanding any other provision of this act, the total
22 payments from the Quality Events Incentive Revolving Fund shall not
23 exceed:

1 1. Two Million Dollars (\$2,000,000.00) for the fiscal year
2 ending June 30, 2011;

3 2. Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
4 for the fiscal year ending June 30, 2012; and

5 3. Three Million Dollars (\$3,000,000.00) for the fiscal year
6 ending June 30, 2013;

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

10 The Tax Commission may promulgate such rules as may be necessary
11 to implement the provisions of this act including, but not limited
12 to, any rules governing the accuracy of the economic impact study.

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

17 The Executive Director of the Oklahoma Department of Commerce
18 shall make a report to the Governor, the Speaker of the House of
19 Representatives and the President Pro Tempore of the Oklahoma State
20 Senate not later than December 1, 2012, and the December 1 occurring
21 each two years thereafter, regarding the effect and impact of the
22 Quality Events Act. If the report includes a recommendation that
23 the Quality Events Act continue in force and effect, then the
24 provisions of this act shall remain in force and effect for a period

1 of two (2) fiscal years beginning with the July 1 date immediately
2 following the December 1 date upon which the report required by this
3 subsection is made. The Quality Events Act shall remain in force
4 and effect for successive periods of two years if the report
5 required by this subsection includes a recommendation that the
6 Quality Events Act continue in force and effect.

7 SECTION 11. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 4311 of Title 68, unless there
9 is created a duplication in numbering, reads as follows:

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

22 B. Any person or lawfully recognized business entity that
23 enters into a contract, memorandum of understanding or other
24 agreement with another person or lawfully recognized business entity

1 while the Oklahoma Quality Events Incentive Act is in force and
2 effect and in reliance upon the provisions of the Oklahoma Quality
3 Events Incentive Act shall have the right to enforce the terms of
4 such contract, memorandum of understanding or agreement with respect
5 to any amount payable pursuant to the terms of the Oklahoma Quality
6 Events Incentive Act as of the date upon which such contract,
7 memorandum of understanding or agreement is executed, including any
8 amendments to such documents if the amendments are incorporated and
9 adopted while the Oklahoma Quality Events Incentive Act is in force
10 and effect.

11 SECTION 12. This act shall become effective July 1, 2010.

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