

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1284

By: Stanislawski

4
5
6 AS INTRODUCED

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

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 11 of this act shall be known and may be
2 cited as the "Oklahoma Quality Events Incentive Act".

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

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

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

24 As used in the Oklahoma Quality Events Incentive Act:

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

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

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

1 g. any additional information as the Oklahoma Tax
2 Commission may require;

3 3. "Eligible local support amounts" means:

4 a. any direct payment made by a local government entity
5 or transfer of monies from the general fund or
6 transfer of tax revenues derived from a locally
7 imposed tax to a certified sponsor for the purpose of
8 attracting, promoting, advertising, organizing,
9 conducting or otherwise supporting a quality event, or

10 b. any direct payment made by a certified sponsor to a
11 for-profit or nonprofit entity, other than the host
12 community, for the purpose of attracting, promoting,
13 advertising, organizing, conducting or otherwise
14 supporting a quality event;

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

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

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

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

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

20 9. "State sales tax revenue" means the proceeds from the state
21 sales tax levy imposed pursuant to Section 1354 of Title 68 of the
22 Oklahoma Statutes upon taxable transactions occurring within the
23 quality event area during the authorized revenue capture period; and
24

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

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

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

- 11 1. A geographic area designated as a quality event area by
- 12 either a county, municipality or a combination of such entities;
- 13 2. A length of time as the revenue capture period; and
- 14 3. The type of expenses eligible for distribution of captured
- 15 revenues to the host community including, but not limited to,
- 16 advertising, facility rental, promotional materials and security.

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

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

1 D. Within ninety (90) days from the date of receipt of the
2 information from the host community as required by subsection C 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 Tax Commission
18 detailed information disclosing the total amount of eligible local
19 support amounts for purposes of determining the amount of
20 incremental state sales tax revenue that may be paid to a host
21 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.
24

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 (0), no payment shall
11 be 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 (0), but
14 less than the total amount of eligible local support amounts, the
15 Tax Commission shall make payment to the host community of the
16 quality 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.

24

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 D of
19 Section 4 of this act, and within the time limit prescribed by
20 Section 5 of this act, the Tax Commission shall remit to the Quality
21 Events Incentive Revolving Fund the amount of incremental sales tax
22 revenues derived from the levy of the state sales tax imposed
23 pursuant to Section 1354 of Title 68 of the Oklahoma Statutes
24 necessary to make payment to a host community based upon eligible

1 local support payments according to the requirements of Section 5 of
2 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 A. There is hereby created in the State Treasury a revolving
7 fund for the Oklahoma Tax Commission to be designated the "Quality
8 Events Incentive Revolving Fund". The fund shall be a continuing
9 fund, not subject to fiscal year limitations, and shall consist of
10 all monies received by the Oklahoma Tax Commission from the proceeds
11 of the incremental sales tax revenues pursuant to this act. All
12 monies accruing to the credit of said fund are hereby appropriated
13 and may be budgeted and expended by the Oklahoma Tax Commission for
14 the purpose of making distributions to host communities.
15 Expenditures from said fund shall be made upon warrants issued by
16 the State Treasurer against claims filed as prescribed by law with
17 the Director of State Finance for approval and payment.

18 B. Notwithstanding any other provision of this act, the total
19 payments from the Quality Events Incentive Revolving Fund shall not
20 exceed:

21 1. Two Million Dollars (\$2,000,000.00) for the fiscal year
22 ending June 30, 2012;

23 2. Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
24 for the fiscal year ending June 30, 2013; and

1 3. Three Million Dollars (\$3,000,000.00) for the fiscal year
2 ending June 30, 2014.

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

9 SECTION 10. NEW LAW A new section of law to be
10 codified in the Oklahoma Statutes as Section 4310 of Title 68,
11 unless there is created a duplication in numbering, reads as
12 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 Oklahoma State
16 Senate not later than December 1, 2013, and the December 1 occurring
17 each two years thereafter, regarding the effect and impact of the
18 Quality Events Act. If the report includes a recommendation that
19 the Quality Events Act continue in force and effect, then the
20 provisions of this act shall remain in force and effect for a period
21 of two (2) fiscal years beginning with the July 1 date immediately
22 following the December 1 date upon which the report required by this
23 subsection is made. The Quality Events Act shall remain in force
24 and effect for successive periods of two years if the report

1 required by this subsection includes a recommendation that the
2 Quality Events Act continue in force and effect.

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

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

18 B. Any person or lawfully recognized business entity that
19 enters into a contract, memorandum of understanding or other
20 agreement with another person or lawfully recognized business entity
21 while the Oklahoma Quality Events Incentive Act is in force and
22 effect and in reliance upon the provisions of the Oklahoma Quality
23 Events Incentive Act shall have the right to enforce the terms of
24 such contract, memorandum of understanding or agreement with respect

1 to any amount payable pursuant to the terms of the Oklahoma Quality
2 Events Incentive Act as of the date upon which such contract,
3 memorandum of understanding or agreement is executed, including any
4 amendments to such documents if the amendments are incorporated and
5 adopted while the Oklahoma Quality Events Incentive Act is in force
6 and effect.

7 SECTION 12. This act shall become effective July 1, 2011.

8

9 52-2-2262 JCR 12/11/2009 11:31:57 AM

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24