

1 ENGROSSED HOUSE  
2 BILL NO. 2711

By: Cox of the House

and

Jolley of the Senate

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7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2011, Sections 4301, 4303, as amended by Section  
9 1, Chapter 156, O.S.L. 2013, 4304, as amended by  
10 Section 2, Chapter 156, O.S.L. 2013, 4305 and 4307  
11 (68 O.S. Supp. 2013, Sections 4303 and 4304), which  
12 relate to the Oklahoma Quality Events Incentive Act;  
13 modifying reference to duration of act; modifying  
14 definitions; modifying the content of designations  
15 made by a host community; deleting time frame for  
16 Oklahoma Tax Commission determination; requiring host  
17 community to provide specified information; modifying  
18 basis for certain determination of revenue by Tax  
19 Commission; modifying method of determining amounts  
20 remitted; modifying time period for certain total  
21 payments; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 4301, is  
amended to read as follows:

Section 4301. This act shall be known and may be cited as the  
"Oklahoma Quality Events Incentive Act" and shall be in effect  
through June 30, ~~2015~~ 2018.

1 SECTION 2. AMENDATORY 68 O.S. 2011, Section 4303, as  
2 amended by Section 1, Chapter 156, O.S.L. 2013 (68 O.S. Supp. 2013,  
3 Section 4303), is amended to read as follows:

4 Section 4303. As used in the Oklahoma Quality Events Incentive  
5 Act:

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

11 2. "Economic impact study" means a study ~~of the geographic area~~  
12 ~~designated by a host community pursuant to Section 4304 of this~~  
13 ~~title,~~ which includes:

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

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- e. a detailed estimate of the anticipated increase in sales tax revenue directly attributable to the quality event,
- f. the general economic impact likely to occur ~~in the designated area~~ as a result of the preparation for, occurrence of and activity occurring in connection with the dissolution of, a quality event, and
- g. any additional information the Oklahoma Tax Commission may require;

3. "Eligible local support amounts" means:

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

4. "Event history" means:

- a. historical information on the event including past locations of the event,

- b. a description of previous attempts by the host community to secure the event,
- c. information regarding attempts by other communities to recruit the event, and
- d. if applicable, the competitive bidding process for securing the event by the host community;

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

6. "Incremental sales tax revenue" means, ~~with respect to a new event, a comparison of the amount of additional state sales tax revenue, if any, in excess of the amount of state sales tax revenue collected within a quality event area during the same month of the preceding year for purposes of the economic impact study required by Section 4304 of this title; or, with respect to a recurring event, a comparison of the amount of additional sales tax revenue, if any, in excess of the calculated average amount of sales tax revenue collected in the quality event area during the preceding year for purposes of the economic impact study required by Section 4304 of this title. For purposes of computing the calculated average amount of monthly sales tax revenue collected as required by this paragraph with respect to a recurring event, the Oklahoma Tax Commission shall average total sales tax revenue collected by month but shall exclude~~

1 ~~revenue collected during the same month or months in a prior year~~  
2 ~~during which the recurring event was conducted and if the event does~~  
3 ~~not occur during the months of November or December, shall also~~  
4 ~~exclude revenue collected during the immediately preceding November~~  
5 ~~and December. The calculated average amount of monthly sales tax~~  
6 ~~revenue shall be used to determine whether a recurring event~~  
7 ~~produces incremental sales tax revenues for purposes of this act as~~  
8 ~~a result of the quality event, as determined by an economic impact~~  
9 ~~study verified by the Oklahoma Tax Commission;~~

10 7. "New event" means a quality event which did not occur within  
11 a period of twenty-four (24) months prior to the month during which  
12 a quality event is held;

13 8. "Quality event" means:

- 14 a. a new event or a meeting of a nationally recognized  
15 organization or its members,
- 16 b. a new or existing event that is a national,  
17 international or world championship, or
- 18 c. a new or existing event that is managed or produced by  
19 an Oklahoma-based national or international  
20 organization;

21 9. ~~"Quality event area" means a geographic area designated by a~~  
22 ~~host community pursuant to Section 4304 of this title, determined to~~  
23 ~~realize direct economic benefit from the preparation for, occurrence~~  
24 ~~of and activity occurring in connection with the dissolution of, a~~

1 ~~quality event; provided, the designated area shall never constitute~~  
2 ~~an area greater than thirteen (13) miles from any property line of~~  
3 ~~the primary property at which the quality event is located. For~~  
4 ~~purposes of this act the property line shall be based on the legal~~  
5 ~~description or survey of a single location determined by a host~~  
6 ~~community to be the primary property for a quality event area;~~

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

10 ~~11.~~ ~~"Revenue capture period" means a time period beginning no~~  
11 ~~earlier than two (2) days prior to the quality event date or the~~  
12 ~~first day upon which the quality event occurs and ending no later~~  
13 ~~than two (2) days after the conclusion of the quality event date or~~  
14 ~~the last day upon which quality event activities occur;~~

15 ~~12.~~ 10. "State sales tax revenue" means the proceeds from the  
16 state sales tax levy imposed pursuant to Section 1354 of this title  
17 upon taxable transactions occurring ~~within the quality event area~~  
18 ~~during the authorized revenue capture period~~ as a result of the  
19 quality event, as determined by an economic impact study verified by  
20 the Oklahoma Tax Commission; and

21 ~~13.~~ 11. "Vendors" means those persons or business entities  
22 making taxable sales of tangible personal property or services  
23 ~~within a quality event area~~ as a result of the quality event, as  
24 determined by an economic impact study verified by the Oklahoma Tax

1 Commission and, unless the context otherwise requires, shall have  
2 the same meaning as defined by Section 1352 of this title.

3 SECTION 3. AMENDATORY 68 O.S. 2011, Section 4304, as  
4 amended by Section 2, Chapter 156, O.S.L. 2013 (68 O.S. Supp. 2013,  
5 Section 4304), is amended to read as follows:

6 Section 4304. A. Not later than six (6) months prior to the  
7 initial date of a quality event, a host community may designate:

- 8 1. ~~A geographic area as a quality event area;~~
- 9 2. ~~A length of time as the revenue capture period~~ The dates  
10 during which a quality event will be hosted; and

11 ~~3.~~ 2. The type of expenses eligible for distribution of  
12 captured revenues to the host community including, but not limited  
13 to, advertising, facility rental, promotional materials and  
14 security.

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

18 C. A host community may only designate one quality event during  
19 ~~a single designated revenue capture period for purposes of the~~  
20 ~~payments authorized by this act~~ the timeframe in which a designated  
21 quality event will occur.

22 D. Within thirty (30) days of the date on which the host  
23 community adopts an ordinance or resolution pursuant to subsection A  
24 of this section, such host community shall submit to the Oklahoma

1 Tax Commission, on such forms as the Tax Commission may prescribe, a  
2 copy of such ordinance or resolution, an economic impact study and  
3 the event history.

4 E. Within sixty (60) days from the date of receipt of the  
5 information from the host community as required by subsection D of  
6 this section, the Tax Commission shall approve or disapprove, in  
7 whole or in part, the economic impact study for the purposes of this  
8 act. In making its determination, the Tax Commission shall consider  
9 whether or not the economic impact study contains the elements  
10 required in paragraph 2 of Section 4303 of this title and whether or  
11 not the information provided is validly documented and based on  
12 generally accepted economic and statistical standards used for  
13 purposes of similar studies. The Oklahoma Department of Commerce  
14 and the Oklahoma Tourism and Recreation Department shall provide  
15 such assistance and information as requested by the Tax Commission  
16 to approve or disapprove an economic impact study.

17 SECTION 4. AMENDATORY 68 O.S. 2011, Section 4305, is  
18 amended to read as follows:

19 Section 4305. A. The host community shall provide to the  
20 Oklahoma Tax Commission detailed information disclosing the total  
21 amount of eligible local support amounts for purposes of determining  
22 the amount of incremental state sales tax revenue that may be paid  
23 to a host community in which a quality event occurs.

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

3 C. ~~Within ninety (90) days after the conclusion of a quality~~  
4 ~~event, the Tax Commission shall determine the amount of incremental~~  
5 ~~state sales tax revenue remitted by vendors located within the~~  
6 ~~designated quality event area~~ After the conclusion of an event, the  
7 host community shall provide information related to the event, such  
8 as attendance figures, financial information or other public  
9 information held by the host community that the Tax Commission  
10 considers necessary to evaluate the actual economic impact of the  
11 event.

12 D. The Tax Commission shall compare the total amount of  
13 eligible local support amounts with the total amount of incremental  
14 state sales tax revenues remitted by vendors ~~located within the~~  
15 ~~designated quality event area,~~ such revenues to be established  
16 through the economic impact study.

17 E. If the Tax Commission determines through an analysis of the  
18 economic impact study that the total amount of incremental state  
19 sales tax revenues is zero, no payment shall be made to a host  
20 community.

21 F. If the Tax Commission determines through an analysis of the  
22 economic impact study that the total amount of incremental state  
23 sales tax revenues is greater than zero, but less than the total  
24 amount of eligible local support amounts, the Tax Commission shall

1 make payment, subject to the limitations of subsection I of this  
2 section, to the host community of the quality event in an amount  
3 equal to the incremental state sales tax revenues.

4 G. If the Tax Commission determines through an analysis of the  
5 economic impact study that the total amount of incremental state  
6 sales tax revenues is at least equal to the amount of eligible local  
7 support amounts, the Tax Commission shall make payment, subject to  
8 the limitations of subsection I of this section, to the host  
9 community in which the quality event occurs in an amount equal to,  
10 but not greater than, the eligible local support amounts.

11 H. No payment shall be made to any host community from a source  
12 other than the incremental state sales tax revenues, if any, derived  
13 from state sales tax remittances of vendors ~~located within the~~  
14 ~~applicable quality event area~~ as a result of the quality event, as  
15 determined by an economic impact study verified by the Oklahoma Tax  
16 Commission.

17 I. No payment shall be made to any host community in excess of  
18 Two Hundred Fifty Thousand Dollars (\$250,000.00) for a single  
19 quality event regardless of the amount of eligible local support  
20 paid by the host community.

21 SECTION 5. AMENDATORY 68 O.S. 2011, Section 4307, is  
22 amended to read as follows:

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1 Section 4307. Notwithstanding any other provision of this act,  
2 total payments resulting from the provisions of the Oklahoma Quality  
3 Events Incentive Act to all host communities shall not exceed:

4 1. Two Million Dollars (\$2,000,000.00) for the fiscal year  
5 ending June 30, 2013;

6 2. Two Million Five Hundred Thousand Dollars (\$2,500,000.00)  
7 for the fiscal year ending June 30, 2014; and

8 3. Three Million Dollars (\$3,000,000.00) for each of the fiscal  
9 year years ending June 30, 2015, through June 30, 2018.

10 SECTION 6. This act shall become effective November 1, 2014.

11 Passed the House of Representatives the 5th day of March, 2014.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2014.

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Presiding Officer of the Senate

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