

1 ENGROSSED SENATE
2 BILL NO. 1722

By: Jolley of the Senate

3 and

4 McNiel of the House

5
6 An Act relating to revenue and taxation; amending 68
7 O.S. 2011, Sections 4303, as amended by Section 1,
8 Chapter 156, O.S.L. 2013, 4304, as amended by Section
9 2, Chapter 156, O.S.L. 2013 and 4305 (68 O.S. Supp.
10 2013, Sections 4303 and 4304), which relate to the
11 Oklahoma Quality Events Incentive Act; modifying
12 definitions; modifying the content of designations
13 made by a host community; deleting time frame for
14 Oklahoma Tax Commission determination; requiring host
15 community to provide specified information; modifying
16 basis for certain determination of revenue by Tax
17 Commission; modifying method of determining amounts
18 remitted; and providing an effective date.

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

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

23 Section 4303. As used in the Oklahoma Quality Events Incentive
24 Act:

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

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

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

22 3. "Eligible local support amounts" means:

- 23 a. any payment made by a local government entity or
24 transfer of monies from the general fund or transfer

1 of tax revenues derived from a locally imposed tax to
2 a certified sponsor for the purpose of attracting,
3 promoting, advertising, organizing, conducting or
4 otherwise supporting a quality event, or

- 5 b. any direct payment made by a certified sponsor to a
6 for-profit or nonprofit entity, other than the host
7 community, for the purpose of attracting, promoting,
8 advertising, organizing, conducting or otherwise
9 supporting a quality event;

10 4. "Event history" means:

- 11 a. historical information on the event including past
12 locations of the event,
- 13 b. a description of previous attempts by the host
14 community to secure the event,
- 15 c. information regarding attempts by other communities to
16 recruit the event, and
- 17 d. if applicable, the competitive bidding process for
18 securing the event by the host community;

19 5. "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 6. "Incremental sales tax revenue" means, ~~with respect to a new~~
24 ~~event, a comparison of~~ the amount of additional state sales tax

1 ~~revenue, if any, in excess of the amount of state sales tax revenue~~
2 ~~collected within a quality event area during the same month of the~~
3 ~~preceding year for purposes of the economic impact study required by~~
4 ~~Section 4304 of this title; or, with respect to a recurring event, a~~
5 ~~comparison of the amount of additional sales tax revenue, if any, in~~
6 ~~excess of the calculated average amount of sales tax revenue~~
7 ~~collected in the quality event area during the preceding year for~~
8 ~~purposes of the economic impact study required by Section 4304 of~~
9 ~~this title. For purposes of computing the calculated average amount~~
10 ~~of monthly sales tax revenue collected as required by this paragraph~~
11 ~~with respect to a recurring event, the Oklahoma Tax Commission shall~~
12 ~~average total sales tax revenue collected by month but shall exclude~~
13 ~~revenue collected during the same month or months in a prior year~~
14 ~~during which the recurring event was conducted and if the event does~~
15 ~~not occur during the months of November or December, shall also~~
16 ~~exclude revenue collected during the immediately preceding November~~
17 ~~and December. The calculated average amount of monthly sales tax~~
18 ~~revenue shall be used to determine whether a recurring event~~
19 ~~produces incremental sales tax revenues for purposes of this act as~~
20 ~~a result of the quality event, as determined by an economic impact~~
21 ~~study verified by the Oklahoma Tax Commission;~~

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

1 8. "Quality event" means:

2 a. a new event or a meeting of a nationally recognized
3 organization or its members,

4 b. a new or existing event that is a national,
5 international or world championship, or

6 c. a new or existing event that is managed or produced by
7 an Oklahoma-based national or international
8 organization;

9 ~~9. "Quality event area" means a geographic area designated by a~~
10 ~~host community pursuant to Section 4304 of this title, determined to~~
11 ~~realize direct economic benefit from the preparation for, occurrence~~
12 ~~of and activity occurring in connection with the dissolution of, a~~
13 ~~quality event; provided, the designated area shall never constitute~~
14 ~~an area greater than thirteen (13) miles from any property line of~~
15 ~~the primary property at which the quality event is located. For~~
16 ~~purposes of this act the property line shall be based on the legal~~
17 ~~description or survey of a single location determined by a host~~
18 ~~community to be the primary property for a quality event area;~~

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

22 ~~11.~~ "Revenue capture period" means a time period beginning no
23 earlier than two (2) days prior to the quality event date or the
24 first day upon which the quality event occurs and ending no later

1 ~~than two (2) days after the conclusion of the quality event date or~~
2 ~~the last day upon which quality event activities occur;~~

3 ~~12.~~ 10. "State sales tax revenue" means the proceeds from the
4 state sales tax levy imposed pursuant to Section 1354 of this title
5 upon taxable transactions occurring ~~within the quality event area~~
6 ~~during the authorized revenue capture period~~ as a result of the
7 quality event, as determined by an economic impact study verified by
8 the Oklahoma Tax Commission; and

9 ~~13.~~ 11. "Vendors" means those persons or business entities
10 making taxable sales of tangible personal property or services
11 ~~within a quality event area~~ as a result of the quality event, as
12 determined by an economic impact study verified by the Oklahoma Tax
13 Commission and, unless the context otherwise requires, shall have
14 the same meaning as defined by Section 1352 of this title.

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

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

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

23 ~~3.~~ 2. The type of expenses eligible for distribution of
24 captured revenues to the host community including, but not limited

1 to, advertising, facility rental, promotional materials and
2 security.

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

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

10 D. Within thirty (30) days of the date on which the host
11 community adopts an ordinance or resolution pursuant to subsection A
12 of this section, such host community shall submit to the Oklahoma
13 Tax Commission, on such forms as the Tax Commission may prescribe, a
14 copy of such ordinance or resolution , an economic impact study and
15 the event history.

16 E. Within sixty (60) days from the date of receipt of the
17 information from the host community as required by subsection D of
18 this section, the Tax Commission shall approve or disapprove, in
19 whole or in part, the economic impact study for the purposes of this
20 act. In making its determination, the Tax Commission shall consider
21 whether or not the economic impact study contains the elements
22 required in paragraph 2 of Section 4303 of this title and whether or
23 not the information provided is validly documented and based on
24 generally accepted economic and statistical standards used for

1 purposes of similar studies. The Oklahoma Department of Commerce
2 and the Oklahoma Tourism and Recreation Department shall provide
3 such assistance and information as requested by the Tax Commission
4 to approve or disapprove an economic impact study.

5 SECTION 3. AMENDATORY 68 O.S. 2011, Section 4305, is
6 amended to read as follows:

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

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

14 C. ~~Within ninety (90) days after the conclusion of a quality~~
15 ~~event, the Tax Commission shall determine the amount of incremental~~
16 ~~state sales tax revenue remitted by vendors located within the~~
17 ~~designated quality event area~~ After the conclusion of an event, the
18 host community shall provide information related to the event, such
19 as attendance figures, financial information or other public
20 information held by the host community that the Tax Commission
21 considers necessary to evaluate the actual economic impact of the
22 event.

23 D. The Tax Commission shall compare the total amount of
24 eligible local support amounts with the total amount of incremental

1 state sales tax revenues remitted by vendors ~~located within the~~
2 ~~designated quality event area~~, such revenues to be established
3 through the economic impact study.

4 E. 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 zero, no payment shall be made to a host
7 community.

8 F. If the Tax Commission determines through an analysis of the
9 economic impact study that the total amount of incremental state
10 sales tax revenues is greater than zero, but less than the total
11 amount of eligible local support amounts, the Tax Commission shall
12 make payment, subject to the limitations of subsection I of this
13 section, to the host community of the quality event in an amount
14 equal to the incremental state sales tax revenues.

15 G. If the Tax Commission determines through an analysis of the
16 economic impact study that the total amount of incremental state
17 sales tax revenues is at least equal to the amount of eligible local
18 support amounts, the Tax Commission shall make payment, subject to
19 the limitations of subsection I of this section, to the host
20 community in which the quality event occurs in an amount equal to,
21 but not greater than, the eligible local support amounts.

22 H. No payment shall be made to any host community from a source
23 other than the incremental state sales tax revenues, if any, derived
24 from state sales tax remittances of vendors ~~located within the~~

1 ~~applicable quality event area~~ as a result of the quality event, as
2 determined by an economic impact study verified by the Oklahoma Tax
3 Commission.

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

8 SECTION 4. This act shall become effective November 1, 2014.

9 Passed the Senate the 13th day of February, 2014.

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Presiding Officer of the Senate

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13 Passed the House of Representatives the ____ day of _____,
14 2014.

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Presiding Officer of the House
of Representatives

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