

An Act

ENROLLED HOUSE
BILL NO. 2711

By: Cox of the House

and

Jolley of the Senate

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

SUBJECT: Oklahoma Quality Events Incentive Act

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.

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

Section 4303. As used in the Oklahoma Quality Events Incentive 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;

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

- a. a description and, if applicable, history of the quality event,
- b. information regarding the site selection process for the quality event,
- c. an estimate of the expenses anticipated to be incurred in connection with hosting the quality event,
- d. an estimate of the total gross sales made by vendors ~~within the designated area~~ during any period of time during which no quality event activity occurs,
- 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 revenue collected during the same month or months in a prior year during which the recurring event was conducted and if the event does not occur during the months of November or December, shall also~~

~~exclude revenue collected during the immediately preceding November and December. The calculated average amount of monthly sales tax revenue shall be used to determine whether a recurring event produces incremental sales tax revenues for purposes of this act as a result of the quality event, as determined by an economic impact study verified by the Oklahoma Tax Commission;~~

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

8. "Quality event" means:

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

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

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

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

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

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

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

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

1. ~~A geographic area as a quality event area;~~

2. ~~A length of time as the revenue capture period~~ The dates during which a quality event will be hosted; and

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

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

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

D. Within thirty (30) days of the date on which the host community adopts an ordinance or resolution pursuant to subsection A of this section, such host community shall submit to the Oklahoma Tax Commission, on such forms as the Tax Commission may prescribe, a

copy of such ordinance or resolution, an economic impact study and the event history.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Presiding Officer of the House
of Representatives

Passed the Senate the 27th day of March, 2014.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____