

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 54th Legislature (2013)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2002

By: McNiel of the House

and

Newberry of the Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to sales tax; amending 68 O.S. 2011,
12 Sections 4303 and 4304, which relate to the Oklahoma
13 Quality Events Incentive Act; defining term;
14 modifying definition; modifying time frame for
15 specified procedures; providing an effective date;
16 and declaring an emergency.

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

18 SECTION 1. AMENDATORY 68 O.S. 2011, Section 4303, is
19 amended to read as follows:

20 Section 4303. As used in the Oklahoma Quality Events Incentive
21 Act:

- 22 1. "Certified sponsor" means an entity or organization
23 authorized to promote and conduct a quality event, which is
24 incurring expenses for the promotion of such event to be conducted

1 within the corporate limits of an eligible municipality or an
2 unincorporated area within a county;

3 2. "Economic impact study" means a study of the geographic area
4 designated by a host community pursuant to Section 4 4304 of this
5 ~~act~~ title, which includes:

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

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1 3. "Eligible local support amounts" means:

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

13 4. "Event history" means:

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

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

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

3 ~~6.~~ 7. "New event" means a quality event which did not occur
4 within a period of twenty-four (24) months prior to the month during
5 which a quality event is held;

6 ~~7.~~ 8. "Quality event" means:

7 a. a new event or a meeting of a nationally recognized
8 organization or its members ~~which is being located at~~
9 ~~a site chosen through a competitive site selection~~
10 ~~process in which at least one site not located in this~~
11 ~~state was considered,~~

12 b. a new or existing event that is a national,
13 international or world championship, or

14 c. a new or existing event that is managed or produced by
15 an Oklahoma-based national or international
16 organization;

17 ~~8.~~ 9. "Quality event area" means a geographic area designated
18 by a host community pursuant to Section 4 4304 of this ~~act~~ title,
19 determined to realize direct economic benefit from the preparation
20 for, occurrence of and activity occurring in connection with the
21 dissolution of, a quality event; provided, the designated area shall
22 never constitute an area greater than thirteen (13) miles from any
23 property line of the primary property at which the quality event is
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1 located. For purposes of this act the property line shall be based
2 on the legal description or survey of a single location determined
3 by a host community to be the primary property for a quality event
4 area;

5 ~~9.~~ 10. "Recurring event" means a quality event which occurred
6 at least once within the twenty-four (24) months prior to the month
7 during which a quality event is held;

8 ~~10.~~ 11. "Revenue capture period" means a time period beginning
9 no earlier than two (2) days prior to the quality event date or the
10 first day upon which the quality event occurs and ending no later
11 than two (2) days after the conclusion of the quality event date or
12 the last day upon which quality event activities occur;

13 ~~11.~~ 12. "State sales tax revenue" means the proceeds from the
14 state sales tax levy imposed pursuant to Section 1354 of ~~Title 68 of~~
15 ~~the Oklahoma Statutes~~ this title upon taxable transactions occurring
16 within the quality event area during the authorized revenue capture
17 period; and

18 ~~12.~~ 13. "Vendors" means those persons or business entities
19 making taxable sales of tangible personal property or services
20 within a quality event area and, unless the context otherwise
21 requires, shall have the same meaning as defined by Section 1352 of
22 ~~Title 68 of the Oklahoma Statutes~~ this title.

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UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 SECTION 2. AMENDATORY 68 O.S. 2011, Section 4304, is
2 amended to read as follows:

3 Section 4304. A. Not later than ~~one (1) year~~ six (6) months
4 prior to the initial date of a quality event, a host community may
5 designate:

- 6 1. A geographic area as a quality event area;
- 7 2. A length of time as the revenue capture period; and
- 8 3. The type of expenses eligible for distribution of captured
9 revenues to the host community including, but not limited to,
10 advertising, facility rental, promotional materials and security.

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

14 C. A host community may only designate one quality event during
15 a single designated revenue capture period for purposes of the
16 payments authorized by this act.

17 D. Within ~~ninety (90)~~ thirty (30) days of the date on which the
18 host community adopts an ordinance or resolution pursuant to
19 subsection A of this section, such host community shall submit to
20 the Oklahoma Tax Commission, on such forms as the Tax Commission may
21 prescribe, a copy of such ordinance or resolution ~~and,~~ an economic
22 impact study and the event history.

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1 E. Within ~~ninety (90)~~ sixty (60) days from the date of receipt
2 of the information from the host community as required by subsection
3 D of this section, the Tax Commission shall approve or disapprove,
4 in whole or in part, the economic impact study for the purposes of
5 this act. In making its determination, the Tax Commission shall
6 consider whether or not the economic impact study contains the
7 elements required in paragraph 2 of Section ~~3~~ 4303 of this ~~act~~ title
8 and whether or not the information provided is validly documented
9 and based on generally accepted economic and statistical standards
10 used for purposes of similar studies. The Oklahoma Department of
11 Commerce and the Oklahoma Tourism and Recreation Department shall
12 provide such assistance and information as requested by the Tax
13 Commission to approve or disapprove an economic impact study.

14 SECTION 3. This act shall become effective July 1, 2013.

15 SECTION 4. It being immediately necessary for the preservation
16 of the public peace, health and safety, an emergency is hereby
17 declared to exist, by reason whereof this act shall take effect and
18 be in full force from and after its passage and approval.

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20 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
21 03/05/2013 - DO PASS, As Amended and Coauthored.
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