

1 **SENATE FLOOR VERSION**

2 February 19, 2013

3 **AS AMENDED**

4 SENATE BILL NO. 976

By: Newberry of the Senate

and

McNiel of the House

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7
8 **[sales tax - Quality Events Incentive Act - term -**
9 **definition - specified procedures - effective date -**
10 **emergency]**

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

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

14 Section 4303. As used in the Oklahoma Quality Events Incentive
15 Act:

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

21 2. "Economic impact study" means a study of the geographic area
22 designated by a host community pursuant to Section 4 4304 of this
23 act 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,

1 promoting, advertising, organizing, conducting or
2 otherwise supporting a quality event, or

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

8 4. "Event history" means:

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

11 b. a description of previous attempts by the host
12 community to secure the event,

13 c. information regarding attempts by other communities to
14 recruit the event, and

15 d. if applicable, the competitive bidding process for
16 securing the event by the host community.

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

21 5. "Incremental sales tax revenue" means, with respect to a new
22 event, a comparison of the amount of additional state sales tax
23 revenue, if any, in excess of the amount of state sales tax revenue
24 collected within a quality event area during the same month of the

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

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

22 7. "Quality event" means:

23 a. a new event or a meeting of a nationally recognized
24 organization or its members ~~which is being located at~~

1 ~~a site chosen through a competitive site selection~~
2 ~~process in which at least one site not located in this~~
3 ~~state was considered,~~

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

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

23 10. "Revenue capture period" means a time period beginning no
24 earlier than two (2) days prior to the quality event date or the

1 first day upon which the quality event occurs and ending no later
2 than two (2) days after the conclusion of the quality event date or
3 the last day upon which quality event activities occur;

4 11. "State sales tax revenue" means the proceeds from the state
5 sales tax levy imposed pursuant to Section 1354 of ~~Title 68 of the~~
6 ~~Oklahoma Statutes~~ this title upon taxable transactions occurring
7 within the quality event area during the authorized revenue capture
8 period; and

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

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

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

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

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

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

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

13 E. Within ~~ninety (90)~~ sixty (60) days from the date of receipt
14 of the information from the host community as required by subsection
15 D of this section, the Tax Commission shall approve or disapprove,
16 in whole or in part, the economic impact study for the purposes of
17 this act. In making its determination, the Tax Commission shall
18 consider whether or not the economic impact study contains the
19 elements required in paragraph 2 of Section ~~3~~ 4303 of this ~~act~~ title
20 and whether or not the information provided is validly documented
21 and based on generally accepted economic and statistical standards
22 used for purposes of similar studies. The Oklahoma Department of
23 Commerce and the Oklahoma Tourism and Recreation Department shall

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1 provide such assistance and information as requested by the Tax
2 Commission to approve or disapprove an economic impact study.

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

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

8 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
9 February 19, 2013 - DO PASS AS AMENDED

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