

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 SENATE BILL 1722

By: Jolley

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5  
6 AS INTRODUCED

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

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

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

24 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

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 4304 of this~~  
5 ~~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;

24 3. "Eligible local support amounts" means:

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

12 4. "Event history" means:

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

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

1       6. "Incremental sales tax revenue" means, ~~with respect to a new~~  
2 ~~event, a comparison of the amount of additional state sales tax~~  
3 ~~revenue, if any, in excess of the amount of state sales tax revenue~~  
4 ~~collected within a quality event area during the same month of the~~  
5 ~~preceding year for purposes of the economic impact study required by~~  
6 ~~Section 4304 of this title; or, with respect to a recurring event, a~~  
7 ~~comparison of the amount of additional sales tax revenue, if any, in~~  
8 ~~excess of the calculated average amount of sales tax revenue~~  
9 ~~collected in the quality event area during the preceding year for~~  
10 ~~purposes of the economic impact study required by Section 4304 of~~  
11 ~~this title. For purposes of computing the calculated average amount~~  
12 ~~of monthly sales tax revenue collected as required by this paragraph~~  
13 ~~with respect to a recurring event, the Oklahoma Tax Commission shall~~  
14 ~~average total sales tax revenue collected by month but shall exclude~~  
15 ~~revenue collected during the same month or months in a prior year~~  
16 ~~during which the recurring event was conducted and if the event does~~  
17 ~~not occur during the months of November or December, shall also~~  
18 ~~exclude revenue collected during the immediately preceding November~~  
19 ~~and December. The calculated average amount of monthly sales tax~~  
20 ~~revenue shall be used to determine whether a recurring event~~  
21 ~~produces incremental sales tax revenues for purposes of this act as~~  
22 a result of the quality event, as determined by an economic impact  
23 study verified by the Oklahoma Tax Commission;  
24

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

4 8. "Quality event" means:

5 a. a new event or a meeting of a nationally recognized  
6 organization or its members,

7 b. a new or existing event that is a national,  
8 international or world championship, or

9 c. a new or existing event that is managed or produced by  
10 an Oklahoma-based national or international  
11 organization;

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

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

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

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

12 ~~13.~~ 11. "Vendors" means those persons or business entities  
13 making taxable sales of tangible personal property or services  
14 ~~within a 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 and, unless the context otherwise requires, shall have  
17 the same meaning as defined by Section 1352 of this title.

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

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

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

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

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

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

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

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

20       E. Within sixty (60) days from the date of receipt of the  
21 information from the host community as required by subsection D of  
22 this section, the Tax Commission shall approve or disapprove, in  
23 whole or in part, the economic impact study for the purposes of this  
24 act. In making its determination, the Tax Commission shall consider

1 whether or not the economic impact study contains the elements  
2 required in paragraph 2 of Section 4303 of this title and whether or  
3 not the information provided is validly documented and based on  
4 generally accepted economic and statistical standards used for  
5 purposes of similar studies. The Oklahoma Department of Commerce  
6 and the Oklahoma Tourism and Recreation Department shall provide  
7 such assistance and information as requested by the Tax Commission  
8 to approve or disapprove an economic impact study.

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

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

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

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

1 considers necessary to evaluate the actual economic impact of the  
2 event.

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

8 E. 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 zero, no payment shall be made to a host  
11 community.

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

19 G. If the Tax Commission determines through an analysis of the  
20 economic impact study that the total amount of incremental state  
21 sales tax revenues is at least equal to the amount of eligible local  
22 support amounts, the Tax Commission shall make payment, subject to  
23 the limitations of subsection I of this section, to the host  
24

1 community in which the quality event occurs in an amount equal to,  
2 but not greater than, the eligible local support amounts.

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

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

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

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