STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

SENATE BILL 976 By: Newberry

AS INTRODUCED

An Act relating to sales tax; amending 68 O.S. 2011, Sections 4303 and 4304, which relate to the Quality Events Incentive Act; defining term; modifying definition; modifying timeframe for specified procedures; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, 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 ~~4~~ 4304 of this ~~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,

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.

"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;

5. "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 ~~4~~ 4304 of this ~~act~~ 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 ~~4~~ 4304 of this ~~act~~ 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;

6. "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;

7. "Quality event" means:

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

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

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;

8. "Quality event area" means a geographic area designated by a host community pursuant to Section ~~4~~ 4304 of this ~~act~~ 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;

9. "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;

10. "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;

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

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

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

Section 4304. A. Not later than ~~one (1) year~~ 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; and

3. 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.

D. Within ~~ninety (90)~~ 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 ~~and~~, an economic impact study and the event history.

E. Within ~~ninety (90)~~ 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 ~~3~~ 4303 of this ~~act~~ 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 3. This act shall become effective July 1, 2013.

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

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