

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

SENATE BILL 431

By: Thompson

AS INTRODUCED

An Act relating to economic development; amending 68 O.S. 2011, Sections 4301, 4303, 4304 and 4305 as last amended by Sections 1, 2, 3 and 4, Chapter 201, O.S.L. 2018, (68 O.S. Supp. 2020, Sections 4301, 4303, 4304 and 4305), which relate to the Oklahoma Quality Events Incentive Act; modifying term of act; modifying definitions; modifying date a community may designate certain event; modifying date required to submit certain form; requiring submission of economic impact study; requiring verification by the Oklahoma Tax Commission; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 4301, as last amended by Section 1, Chapter 201, O.S.L. 2018 (68 O.S. Supp. 2020, 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, 2021~~ June 30, 2026.

SECTION 2. AMENDATORY 68 O.S. 2011, Section 4303, as last amended by Section 2, Chapter 201, O.S.L. 2018 (68 O.S. Supp. 2020, Section 4303), is amended to read as follows:

1       Section 4303. As used in the Oklahoma Quality Events Incentive  
2 Act:

3       1. "Certified sponsor" means an entity or organization  
4 authorized to promote and conduct a quality event, which is  
5 incurring expenses for the promotion of such event to be conducted  
6 within the corporate limits of an eligible municipality or an  
7 unincorporated area within a county;

8       2. "Economic impact study" means a study which includes:

- 9           a. a description and, if applicable, the event history as  
10           defined in paragraph 4 of this section of the quality  
11           event,
- 12           b. information regarding the site selection process for  
13           the quality event,
- 14           c. an estimate of the expenses anticipated to be incurred  
15           in connection with hosting the quality event,
- 16           d. an estimate of the total gross sales made by vendors  
17           during any period of time during which no quality  
18           event activity occurs,
- 19           e. a detailed estimate of the anticipated increase in  
20           sales tax revenue directly attributable to the quality  
21           event,
- 22           f. the general economic impact likely to occur as a  
23           result of the preparation for, occurrence of and  
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1                   activity occurring in connection with the dissolution  
2                   of a quality event, and

3           g.   any additional information the Oklahoma Tax Commission  
4           may require for verification of the study pursuant to  
5           paragraph 6 of this section;

6   3.   "Eligible local support amounts" means:

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

18   ~~3.~~ 4.   "Event history" means:

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

3       ~~4.~~ 5.   "Host community" means any county, incorporated city or  
4 town, or any combination of counties, incorporated cities or towns  
5 of the state which are authorized by their respective governing  
6 bodies to host or assist in the presentation of a quality event;

7       ~~5.~~ 6.   "Incremental sales tax revenue" means the amount of  
8 additional state sales tax revenue collected as a result of the  
9 quality event, as determined by an economic impact study verified by  
10 the Oklahoma Tax Commission ~~based on actual documentation~~;

11       ~~6.~~ 7.   "New event" means a quality event which did not occur  
12 within a period of twenty-four (24) months prior to the month during  
13 which a quality event is held;

14       ~~7.~~ 8.   "Quality event" means:

15           a.    a new event or a meeting of a nationally recognized  
16                organization or its members,

17           b.    a new or existing event that is a national,  
18                international or world championship, or

19           c.    a new or existing event that is managed or produced by  
20                an Oklahoma-based national or international  
21                organization;

22       ~~8.~~ 9.   "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        ~~9.~~ 10. "State sales tax revenue" means the proceeds from the  
2 state sales tax levy imposed pursuant to Section 1354 of this title  
3 upon taxable transactions occurring as a result of the quality  
4 event, as determined by an economic impact study verified by the  
5 Oklahoma Tax Commission ~~based on actual documentation~~; and

6        ~~10.~~ 11. "Vendors" means those persons or business entities  
7 making taxable sales of tangible personal property or services as a  
8 result of the quality event, as determined by an economic impact  
9 study verified by the Oklahoma Tax Commission ~~based on actual~~  
10 ~~documentation~~ and, unless the context otherwise requires, shall have  
11 the same meaning as defined by Section 1352 of this title.

12        SECTION 3.        AMENDATORY        68 O.S. 2011, Section 4304, as  
13 last amended by Section 3, Chapter 201, O.S.L. 2018 (68 O.S. Supp.  
14 2020, Section 4304), is amended to read as follows:

15        Section 4304. A. Not later than ~~six (6) months~~ thirty (30)  
16 days prior to the initial date of a quality event, a host community  
17 may designate:

18        1. The dates during which a quality event will be hosted; and  
19        2. The type of expenses eligible for distribution of captured  
20 revenues to the host community including, but not limited to,  
21 advertising, facility rental, promotional materials and security.

22        B. Any designation made by a host community for purposes of the  
23 Oklahoma Quality Events Incentive Act shall be made pursuant to an  
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1 ordinance or resolution duly adopted by the governing body of the  
2 host community.

3 C. A host community may only designate one quality event during  
4 the time frame in which a designated quality event will occur.

5 D. Within ~~thirty (30) days~~ sixty (60) days of the date on which  
6 the host community adopts an ordinance or resolution pursuant to  
7 subsection A of this section, such host community shall submit to  
8 the Oklahoma Tax Commission, on such forms as the Tax Commission may  
9 prescribe, a copy of such ordinance or resolution and ~~the event~~  
10 ~~history~~ an economic impact study. The Oklahoma Tax Commission shall  
11 designate a single employee or division responsible for processing  
12 information, making determinations and any other duties related to  
13 the Oklahoma Quality Events Incentive Act.

14 E. Within sixty (60) days from the date of receipt of the  
15 information from the host community as required by subsection D of  
16 this section, the Tax Commission shall approve or disapprove, in  
17 whole or in part, the submission and analysis of the required  
18 information. The Oklahoma Department of Commerce and the Oklahoma  
19 Tourism and Recreation Department shall provide such assistance and  
20 information as requested by the Tax Commission.

21 SECTION 4. AMENDATORY 68 O.S. 2011, Section 4305, as  
22 last amended by Section 4, Chapter 201, O.S.L. 2018 (68 O.S. Supp.  
23 2020, Section 4305), is amended to read as follows:  
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1       Section 4305. A. The host community shall provide to the  
2 Oklahoma Tax Commission detailed information disclosing the total  
3 amount of eligible local support amounts for purposes of determining  
4 the amount of incremental state sales tax revenue that may be paid  
5 to a host community in which a quality event occurs.

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

8       C. After the conclusion of an event, the host community shall  
9 provide information related to the event, such as attendance  
10 figures, financial information or other public information held by  
11 the host community that the Tax Commission considers necessary to  
12 evaluate the actual economic impact of the event.

13       D. The Tax Commission shall compare the total amount of  
14 eligible local support amounts with the total amount of incremental  
15 state sales tax revenues remitted by vendors, such revenues to be  
16 established ~~based on actual documentation~~ through the economic  
17 impact study.

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

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

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

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

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

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