

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1998

By: Coleman

AS INTRODUCED

An Act relating to incentives; amending 68 O.S. 2021, Sections 4303, 4304, 4305, and 4308, which relate to the Oklahoma Quality Events Incentive Act; modifying definitions; expanding eligible expenses; prescribing limit on incentive payment for certain quality event; clarifying statutory language; updating statutory language; updating statutory reference; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, 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 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 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, and
- f. the general economic impact likely to occur as a result of the preparation for, occurrence of, and any activity occurring in connection with the dissolution of, a quality event;

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

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

6 4. "Event history" means:

- 7 a. historical information on the event including past
8 locations of the event,
9 b. a description of previous attempts by the host
10 community to secure the event,
11 c. information regarding attempts by other communities to
12 recruit the event, and
13 d. if applicable, the competitive bidding process for
14 securing the event by the host community;

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

19 6. ~~"Incremental sales tax revenue" means the amount of~~
20 ~~additional state sales tax revenue collected as a result of the~~
21 ~~quality event, as determined by an economic impact study verified by~~
22 ~~the Oklahoma Tax Commission;~~

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 7. "Projected incremental sales tax revenue" means the amount
5 of additional state sales tax revenue that is projected to occur as
6 a result of the quality event, as determined by an economic impact
7 study verified by the Oklahoma Tax Commission;

8 8. "Quality event" means:

- 9 a. a new event or a meeting of a nationally recognized
10 organization or its members,
- 11 b. a new or existing event that is a national,
12 international, or world championship, or
- 13 c. a new or existing event that is managed or produced by
14 an Oklahoma-based national or international
15 organization, or
- 16 d. any new or existing event designated by an
17 incorporated city or town as a quality event
18 regardless of whether it meets the conditions
19 prescribed by subparagraphs a, b, or c of this
20 paragraph. Provided, such city or town may only
21 designate one quality event each year and such city or
22 town or a certified sponsor shall invest a minimum of
23 Five Thousand Dollars (\$5,000.00) in promoting,
24 marketing, or signage associated with the event in

order for the event to qualify under this
subparagraph;

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. "State sales tax revenue" means the proceeds from the state sales tax levy imposed pursuant to Section 1354 of this title upon taxable transactions occurring as a result of the quality event, as determined by an economic impact study verified by the Oklahoma Tax Commission; and

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

SECTION 2. AMENDATORY 68 O.S. 2021, Section 4304, is amended to read as follows:

Section 4304. A. Not later than thirty (30) days prior to the initial date of a quality event, a host community may designate:

1. The dates during which a quality event will be hosted; and
2. 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,~~

1 equipment rental or purchase of equipment that will be owned by the
2 host community, professional services, musical talent and
3 production, and safety and security equipment and services including
4 services provided by local fire and police departments.

5 B. Any designation made by a host community for purposes of the
6 Oklahoma Quality Events Incentive Act shall be made pursuant to an
7 ordinance or resolution duly adopted by the governing body of the
8 host community.

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

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

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 submission and analysis of the required
24 information. The Oklahoma Department of Commerce and the Oklahoma

1 Tourism and Recreation Department shall provide such assistance and
2 information as requested by the Tax Commission.

3 SECTION 3. AMENDATORY 68 O.S. 2021, Section 4305, is
4 amended to read as follows:

5 Section 4305. A. The host community shall provide to the
6 Oklahoma Tax Commission detailed information disclosing the total
7 amount of eligible local support amounts for purposes of determining
8 the amount of ~~incremental~~ state sales tax revenue that may be paid
9 to a host community in which a quality event occurs.

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

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

17 D. The Tax Commission shall compare the total amount of
18 eligible local support amounts with the total amount of projected
19 incremental state sales tax revenues ~~remitted by vendors, such~~
20 ~~revenues to be established through the economic impact study.~~

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

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

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

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

21 ~~I.~~ ~~No~~ H. Regardless of the amount of eligible local support
22 paid by the host community or certified sponsor, no payment shall be
23 made to any host community in excess of:
24

1 1. Two Hundred Fifty Thousand Dollars (\$250,000.00) for a
2 single quality event ~~regardless of the amount of eligible local~~
3 ~~support paid by the host community~~ defined pursuant to subparagraphs
4 a through c of paragraph 8 of Section 4303 of this title; or

5 2. One Hundred Thousand Dollars (\$100,000.00) for a single
6 quality event defined pursuant to subparagraph d of paragraph 8 of
7 Section 4303 of this title.

8 SECTION 4. AMENDATORY 68 O.S. 2021, Section 4308, is
9 amended to read as follows:

10 Section 4308. After the conclusion of a quality event for which
11 the Oklahoma Tax Commission has given approval pursuant to
12 subsection E of Section ~~4 of this act~~ 4304 of this title, ~~and within~~
13 ~~the time limit prescribed by Section 5 of this act,~~ the Tax
14 Commission shall utilize the amount of projected incremental sales
15 tax revenues derived from the levy of the state sales tax imposed
16 pursuant to Section 1354 of ~~Title 68 of the Oklahoma Statutes~~ this
17 title necessary to make payment to a host community based upon
18 eligible local support payments according to the requirements of
19 ~~Section 5 of this act~~ 4305 of this title.

20 SECTION 5. This act shall become effective November 1, 2026.

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