

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 1121

6 By: Boatman

7 COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; amending 68
9 O.S. 2011, Sections 4301, as last amended by Section
10 1, Chapter 201, O.S.L. 2018, 4303, as last amended by
11 Section 2, Chapter 201, O.S.L. 2018, 4304, as last
12 amended by Section 3, Chapter 201, O.S.L. 2018 and
13 4305, as last amended by Section 4, Chapter 201,
14 O.S.L. 2018 (68 O.S. Supp. 2020, Sections 4301, 4303,
15 4304 and 4305), which relate to the Oklahoma Quality
16 Events Incentive Act; modifying sunset date;
17 modifying definitions; modifying provisions related
18 to documentation reviewed by Oklahoma Tax Commission;
19 providing for economic impact study; prescribing
20 procedures; modifying time periods related to event
21 designation; modifying time period related to
22 submission of information to Oklahoma Tax Commission;
23 and declaring an emergency.

24 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~~ 2026.

1 SECTION 2. AMENDATORY 68 O.S. 2011, Section 4303, as
2 last amended by Section 2, Chapter 201, O.S.L. 2018 (68 O.S. Supp.
3 2020, Section 4303), is amended to read as follows:

4 Section 4303. As used in the Oklahoma Quality Events Incentive
5 Act:

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

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

12 a. a description and, if applicable, history of the
13 quality event,

14 b. information regarding the site selection process for
15 the quality event,

16 c. an estimate of the expenses anticipated to be incurred
17 in connection with hosting the quality event, and

18 d. an estimate of the total gross sales made by vendors
19 during any period of time during which no quality
20 event activity occurs,

21 e. a detailed estimate of the anticipated increase in
22 sales tax revenue directly attributable to the quality
23 event, and

24

1 f. the general economic impact likely to occur as a
2 result of the preparation for, occurrence of and
3 activity occurring in connection with the dissolution
4 of, a quality event;

5 3. "Eligible local support amounts" means:

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

17 ~~3.~~ 4. "Event history" means:

- 18 a. historical information on the event including past
19 locations of the event,
- 20 b. a description of previous attempts by the host
21 community to secure the event,
- 22 c. information regarding attempts by other communities to
23 recruit the event, and
- 24

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)~~ sixty (60) days of the date on which the
6 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, an economic
10 impact study and the event history. The Oklahoma Tax Commission
11 shall designate a single employee or division responsible for
12 processing information, making determinations and any other duties
13 related to 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

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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