

# An Act

ENROLLED HOUSE  
BILL NO. 1121

By: Boatman of the House

and

Thompson of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 2011, Sections 4301, as last amended by Section 1, Chapter 201, O.S.L. 2018, 4303, as last amended by Section 2, Chapter 201, O.S.L. 2018, 4304, as last amended by Section 3, Chapter 201, O.S.L. 2018 and 4305, as last amended by Section 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 sunset date; modifying definitions; modifying provisions related to documentation reviewed by Oklahoma Tax Commission; providing for economic impact study; prescribing procedures; modifying time periods related to event designation; modifying time period related to submission of information to Oklahoma Tax Commission; and declaring an emergency.

SUBJECT: Revenue and taxation

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.

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:

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 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
- 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;

~~3.~~ 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;

~~4.~~ 5. "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.~~ 6. "Incremental sales tax revenue" means the amount of additional state sales tax revenue collected as a result of the quality event, as determined by an economic impact study verified by the Oklahoma Tax Commission ~~based on actual documentation~~;

~~6.~~ 7. "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.~~ 8. "Quality event" means:

- a. a new event or a meeting of a nationally recognized organization or its members,
- 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.~~ 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;

~~9.~~ 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 ~~based on actual documentation~~; and

~~10.~~ 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 ~~based on actual documentation~~ and, unless the context otherwise requires, shall have the same meaning as defined by Section 1352 of this title.

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

Section 4304. A. Not later than ~~six (6) months~~ 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.

B. Any designation made by a host community for purposes of the Oklahoma Quality Events Incentive 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 the time frame in which a designated quality event will occur.

D. Within ~~thirty (30)~~ sixty (60) 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, an economic impact study and the event history. The Oklahoma Tax Commission

shall designate a single employee or division responsible for processing information, making determinations and any other duties related to the Oklahoma Quality Events Incentive Act.

E. Within 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 submission and analysis of the required information. The Oklahoma Department of Commerce and the Oklahoma Tourism and Recreation Department shall provide such assistance and information as requested by the Tax Commission.

SECTION 4. AMENDATORY 68 O.S. 2011, Section 4305, as last amended by Section 4, Chapter 201, O.S.L. 2018 (68 O.S. Supp. 2020, Section 4305), is amended to read as follows:

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

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

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

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

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

F. If the Tax Commission determines through an analysis of the ~~actual documentation~~ economic impact study that the total amount of incremental state sales tax revenues is greater than zero, but less

than the total amount of eligible local support amounts, the Tax Commission shall make payment, subject to the limitations of subsection I of this section, to the host community of the quality event in an amount equal to the incremental state sales tax revenues.

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

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

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

SECTION 5. It being immediately necessary for the preservation of the public peace, health or 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.

Passed the House of Representatives the 1st day of March, 2021.

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Presiding Officer of the House  
of Representatives

Passed the Senate the 12th day of April, 2021.

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Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_