

1 1. The amount of approved costs, which shall be determined by
2 negotiations between the Executive Director and the approved
3 company;

4 2. A date certain by which the approved company shall have
5 completed the tourism attraction project or an individual component
6 or phase of the project if the tourism attraction project is an
7 Entertainment District. Within three (3) months of the completion
8 date of the whole or an individual component or phase of the
9 project, the approved company shall document its actual costs of the
10 project through a certification of the costs by an independent
11 certified public accountant acceptable to the Executive Director;
12 and

13 3. The following provisions:

14 a. the term of the agreement shall be ~~ten (10) years~~
15 fifteen (15) years from the later of:

16 (1) the date of the final approval of the tourism
17 attraction project, or

18 (2) the completion date specified in the agreement,
19 if the completion date is within three (3) years
20 of the date of the final approval of the tourism
21 attraction project. However, the term of the
22 agreement may be extended for up to two (2)
23 additional years by the Executive Director, with
24 the advice and consent of the Oklahoma Tax

1 Commission, if the Executive Director determines
2 that the failure to complete the tourism
3 attraction project within three (3) years
4 resulted from:

5 (a) unanticipated and unavoidable delay in the
6 construction of the tourism attraction
7 project,

8 (b) an original completion date for the tourism
9 attraction project, as originally planned,
10 which will be more than three (3) years from
11 the date construction began, or

12 (c) a change in business structure resulting
13 from a merger or acquisition.

14 Provided, however, the businesses that have existing
15 agreements with the Oklahoma Tourism and Recreation
16 Department under the Tourism Development Act on the
17 effective date of this act shall be allowed to increase the
18 total number of years on their agreements to fifteen (15)
19 years upon approval of the Executive Director,

20 b. in any tax year during which an agreement is in
21 effect, if the amount of sales tax to be remitted by
22 the approved company or an Entertainment District
23 Tenant Party, if applicable, exceeds the sales tax
24 credit available to the approved company or

1 Entertainment District Tenant Party, if applicable,
2 then the approved company or Entertainment District
3 Tenant Party, if applicable, shall pay the excess to
4 this state as sales tax,

5 c. within forty-five (45) days after the end of each
6 calendar year the approved company shall supply the
7 Executive Director with such reports and
8 certifications as the Executive Director may request
9 demonstrating to the satisfaction of the Executive
10 Director that the approved company is in compliance
11 with the provisions of the Oklahoma Tourism
12 Development Act, and

13 d. the approved company or an Entertainment District
14 Tenant Party, if applicable, shall not receive an
15 inducement with respect to any calendar year if:

16 (1) with respect to any tourism attraction project
17 that is not an Entertainment District in any
18 calendar year following the fourth year of the
19 agreement, the tourism attraction project fails
20 to attract at least fifteen percent (15%) of its
21 visitors from among persons who are not residents
22 of this state, or

23 (2) in any calendar year following the first year of
24 the project or the tourism attraction project is

1 not operating and open to the public on a regular
2 and consistent basis, which for a tourism
3 attraction project that is an Entertainment
4 District shall mean that a substantial portion of
5 the Entertainment District is not operating and
6 open to the public on a regular and consistent
7 basis.

8 B. The agreement shall not be transferable or assignable by the
9 approved company without the written consent of the Executive
10 Director but, with respect to a tourism attraction project that is
11 an Entertainment District, the approved company can elect to pass-
12 through all or a portion of the sales tax credit to one or more
13 Entertainment District Tenant Parties in accordance with Section
14 2397 of this title.

15 C. If the approved company utilizes or receives inducements
16 which are subsequently disallowed then the approved company will be
17 liable for the payment to the Tax Commission of an amount equal to
18 (i) all taxes resulting from the disallowance of the inducements
19 plus applicable penalties and interest, whether owed by the approved
20 company or an Entertainment District Tenant Party to which the
21 credits have been passed-through in accordance with Section 2397 of
22 this title, and/or (ii) all incentive payments previously received
23 by the approved company, plus applicable penalties and interest.
24 Only the approved company originally allowed a sales tax credit

1 shall be held liable to make such payments and not any Entertainment
2 District Tenant Party to whom the credit has been passed-through in
3 accordance with Section 2397 of this title.

4 D. The Executive Director shall provide a copy of each
5 agreement entered into with an approved company to the Tax
6 Commission.

7 E. For a tourism attraction project that is an Entertainment
8 District and anticipated to have multiple components or phases, the
9 Executive Director may enter into more than one agreement with
10 different approved companies for the different components or phases
11 of the Entertainment District and such agreements may be entered
12 into at different times as though the different components or phases
13 of the Entertainment District are their own separate project. In
14 such case, the Executive Director shall not be required to obtain a
15 separate consultant's report (referred to in subsection C of Section
16 2394 of this title) for each individual component or phase of the
17 Entertainment District, but only one consultant's report for the
18 entire Entertainment District.

19 SECTION 2. This act shall become effective November 1, 2021.

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21 COMMITTEE REPORT BY: COMMITTEE ON TOURISM, dated 04/01/2021 - DO
22 PASS.

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