



State of Oklahoma

Incentive Evaluation Commission

Quality Events Incentive Act Evaluation

November 2, 2020

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BNY Mellon Center
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Key Findings and Recommendations



Overview

The Quality Events Incentive Act was passed in 2010 and went into effect on July 1, 2012. Later, it was amended in 2018.¹ The Quality Events program provides local municipalities reimbursements for the eligible expenses of qualified events. The program is intended to attract major events to Oklahoma that might have otherwise taken place in another state. The Oklahoma Tax Commission (OTC) oversees administration of the program by approving events and determining the incremental state sales tax revenue generated by the event. Since FY 2015, the maximum reimbursement amount for a fiscal year increased to \$3 million, where no single event could be reimbursed more than \$250,000. The Quality Events program is currently scheduled to sunset on June 30, 2021.

Recommendation: Retain with modifications

Key Findings Related to Established Criteria for Evaluation

- **Oklahoma communities have been reimbursed about \$1.3 million for 32 events hosted from FY 2015 through FY 2020.** \$1.3 million amounts to about 7.2 percent of the statutory maximum during this time period. There are still about 10 cases that are pending reimbursement provided the host communities submit the required materials.
- **Since FY 2016, event hosts received disbursements from 1 month to 27 months after the event concluded.** Host communities receive their reimbursements once they have proven that all expenses have been paid and the correct documentation is sent to OTC. This process can vary based on the host community's ability to obtain the pertinent data.
- **The definition of "actual documentation" is not clearly defined and leads to confusion on what information should be submitted by stakeholders.** "Actual documentation" is not currently defined in statute. OTC has a letter that gives more information about what is expected; however, this letter is not widely circulated.
- **The data that OTC retains from each event is limited.** Currently, for all events, OTC records the amount of the disbursement, the date of disbursement, the event date, and the event location. In some cases, OTC records the incremental state sales tax revenue generated and the total event expenses.
- **The economic impact of the Quality Events program cannot be computed due to insufficient data.** The data that OTC retains for this program is not enough to determine its impact on the state.

Recommended Program Modifications

- **Replace "actual documentation" with a standardized economic impact study form that identifies all the information needed to determine economic impact.** The "actual documentation" that is required to be submitted after the event is not clearly defined in statute, and stakeholders sometimes submit information that is not useful to OTC's determination of incremental state sales tax revenue. Also, inaccurate submissions of actual documentation lead the OTC to request additional information, which lengthens the time for the stakeholders to receive their reimbursements.
- **Remove the statutory requirement that host communities submit the actual documentation 30 days after the event ends.** Stakeholders believe that 30 days is not enough time to gather all the materials necessary for OTC to determine the event's economic impact. In many cases, the stakeholders need to obtain this data from their vendors, and the time it takes to do so varies. Currently,

¹ SB1252, c. 201



if OTC needs more information to determine impact, they will inform the stakeholder of necessary additional information and grant more time; given this, providing more flexibility on the 30-day timeline will make the program more user friendly. In the end, it is in the best interest of the program users to submit on a timely basis, but accuracy of submission should be the prime motivation, not a specific timeframe.

- **Collect data that will better help determine the program's economic impact on the State.** Data that should be collected includes the number of event attendees, number of event participants (in some cases, attendees and participants can be lumped together), length of the event (days), ratio of local to non-overnight attendees, ratio of local to non-overnight participants, average daily spending (not including event registration fees), total cost of the event. This data will help OTC be more effective in evaluating events and determining their economic impact.



Introduction



Incentive Evaluation Commission Overview

In 2015, HB2182 established the Oklahoma Incentive Evaluation Commission (the Commission). It requires the Commission to conduct evaluations of all qualified state incentives over a four-year timeframe. The law also provides that criteria specific to each incentive be used for the evaluation. The first set of 11 evaluations were conducted in 2016, 12 were conducted in 2017, an additional 11 were conducted in 2018, and lastly, 5 were conducted in 2019.

The Quality Events Incentive Act is one of 9 incentives scheduled for an updated review by the Commission in 2020. Based on this evaluation and their collective judgment, the Commission will make recommendations to the Governor and the State Legislature related to this incentive.

2016 Evaluation Finds and Recommendations

Key findings from the 2016 evaluation of this program are displayed in the following table:

Table 1: Summary of Findings, 2016 Evaluation

Fiscal and Economic Impact	Fiscal Impact: Total reimbursements ranged between \$25,000 and \$374,559 between FY2013 and FY2015. Reimbursements were provided for 7 events over this period. Economic Impact: Available data did not support a full economic impact analysis
Adequate Protections for Future Fiscal Impact?	Yes. The program has a project cap and an annual cap in place. In addition, communities cannot receive reimbursements in excess of the quantity of sales tax revenues generated by the event.
Effective Administration?	No. The administrative process was designed to emphasize verification and oversight. Unfortunately, the verification requirements have resulted in a process that is cumbersome, costly, inefficient, and ultimately undermines the ability of the program to achieve its goals.
Achieving Its Goals?	No. The outsized administrative burdens associated with the current processes and requirements generate uncertainty about the magnitude and timeliness of reimbursement. As a result, local hosting entities cannot rely on support from this program when developing bids to compete nationally for events.
Changes to Improve Future Evaluation	The State should maintain a database with essential project information.

Criteria for Evaluation

A key factor in evaluating the effectiveness of incentive programs is to determine whether they are meeting the stated goals as established in state statute or legislation. In the case of this incentive, the specific goal included in legislation is to “provide a method by which eligible municipalities and counties utilize a portion of the state sales tax revenues derived from taxable transactions occurring within a designated area to promote certain qualifying events.”



Additionally, to assist in a determination of program effectiveness, the Oklahoma Tax Commission has adopted the following criteria:

- Economic impact of qualifying events;
- Revenue impact of qualifying events;
- Existing versus new qualifying events;
- Additional quantifiable impacts for the State from qualifying events;
- Return on investment for qualifying events.



Incentive Usage and Administration



Incentive Characteristics

The Quality Events Incentive Act was passed in 2010 and went into effect on July 1, 2012. Later, it was amended in 2018.²

The Quality Events Incentive Program offers local municipalities reimbursements on eligible quality event expenses using incremental state sales tax revenues generated as a result of the event. A “Quality Event” is defined as:³

- A new event or meeting of a nationally recognized organization or its members;
- A new or existing event that is a national, international, or world championship;
- A new or existing event that is managed or produced by an Oklahoma-based national or international organization.

The Oklahoma Tax Commission (OTC) can offer reimbursements of up to \$3 million in a fiscal year; however, no one event can receive more than \$250,000. Reimbursements to the host communities also cannot exceed the state sales tax benefits derived from the event.

Originally set to expire in 2018, the Quality Events program is currently scheduled to sunset on June 30, 2021.

Historic Use of the Reimbursement

Since FY2015, the Quality Events program has qualified 42 events for reimbursement. Each event was hosted by one of four Oklahoma cities: Tulsa, Grove, Oklahoma City, or Guthrie. Tulsa and Grove have hosted the most events, 26 and 12, respectively; Guthrie has hosted 3 events and Oklahoma City has hosted 1 event. During this time, the OTC disbursed about \$1.3 million for these events in total; there are 10 events that have not been reimbursed yet due to OTC’s need for more information from the host community. Beginning in FY2015, the maximum amount the OTC could disburse in a fiscal year increased to \$3 million; as a result, it has had the capacity to disburse up to \$18 million to host communities. Based on these figures, the OTC has reimbursed about 7.2% of the statutory maximum amount under this program. The following table details the distribution of events by city.

Table 2: Quality Events by City and Event Year⁴

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total Events	Total Disbursements
Tulsa	2	8	4	5	4	3	26	\$907,218
Grove	1	1	3	4	1	2	12	\$111,941
Guthrie	0	0	1	2	0	0	3	\$144,978
OK City	0	0	1	0	0	0	1	\$125,000
Grand Total	3	9	9	11	5	5	42	\$1,289,137

Note: Tulsa and Grove have each hosted 7 and 3 events, respectively, for which they have not been reimbursed

The OTC’s determination of the incremental sales tax revenue that is attributed to an event can be a lengthy process. In particular, the documentation provided by the host community may not sufficiently describe the event’s positive economic impact. Because the time it takes to determine the amount for reimbursement can

² SB1252, c. 201

³ 68 OS 4301 through 4311

⁴ Data compiled from FY2018 and FY2019 Quality Events Annual Reports and from additional data provided by the Oklahoma Tax Commission



vary, most disbursements have not occurred in the same fiscal year as when the event was held. The following figure provides the total disbursement distribution by fiscal year and city between FY2016 and FY2020.

Figure 1: Total Disbursements by Year

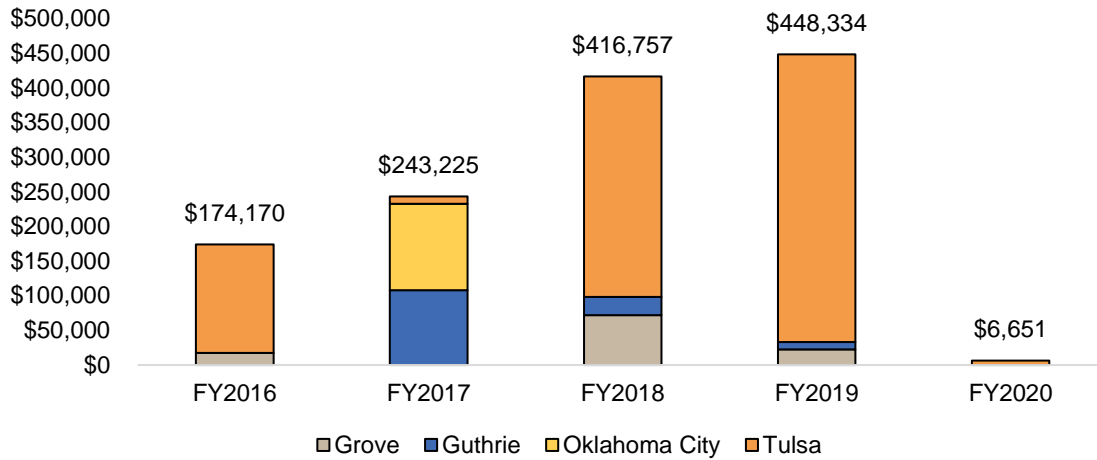


Table 3: Total Disbursements by City and Year⁵

City	FY2016	FY2017	FY2018	FY2019	FY2020	Total Disbursements
Tulsa	\$156,700	\$10,225	\$318,597	\$415,045	\$6,651	\$907,218
Grove	\$17,470	\$0	\$71,859	\$22,612	\$0	\$111,941
Guthrie	\$0	\$108,000	\$26,301	\$10,677	\$0	\$144,978
OK City	\$0	\$125,000	\$0	\$0	\$0	\$125,000
Grand Total	\$174,170	\$243,225	\$416,757	\$448,334	\$6,651	\$1,289,137

All but one event reviewed by the OTC have been national sporting events. Tulsa, for example, has hosted NCAA Big 12 Conference Championships in wrestling, tennis, and baseball; Grove has typically hosted various professional fishing tournaments. Other sports events include BMX, equestrian, and soccer. These events span all ages and levels, as different competitions feature professional, collegiate, and/or youth athletes. The one event reviewed that was not sports-related was the 2016 North American Deer Farmers Annual Conference, it is an event that attracts thousands of deer farmers and industry professionals from across the nation who participate in fundraising auctions, education seminars, and a venison competition.

Since FY2015, there have been a few recurring events eligible for reimbursement. The USA BMX Sooner Nationals, hosted in Tulsa, has participated in the Quality Events program four times, the most by any event. Four different events participated in the program three times: the USA Wrestling National Junior Dual Meet Championship (Tulsa); the US National Arabian & Half-Arabian Championship Horse Show (Tulsa/OK City); the Grand Lake Big Bass Bash (Grove); and the Big 12 Conference Wrestling Championship (Tulsa). The remaining events reviewed by the program either participated once or twice. A full listing of events can be found in **Appendix A**.

⁵ Data compiled from FY2018 and FY2019 Quality Events Annual Reports and from additional data provided by the Oklahoma Tax Commission



Incentive Administration

The Quality Events Incentive Program is administered by the OTC. In order to claim the incentive's benefit, the host organization, in partnership with the host community, must host an event that meets the definition of a Quality Event as outlined in statute.

A "Quality Event" is defined as:⁶

- A new event or meeting of a nationally recognized organization or its members;
- A new or existing event that is a national, international, or world championship;
- A new or existing event that is managed or produced by an Oklahoma-based national or international organization.

Pre-Qualification Process

Within six months prior to the event, the host community's legislative body must pass a resolution that authorizes the application for and provides relevant information about the quality event. The resolution must include the event's dates and location as well as the types of eligible expenses that will be incurred. Eligible expenses for reimbursement include those made for the purpose of attracting, promoting, advertising, organizing, conducting or otherwise supporting a quality event. Within 30 days of the resolution's passing, the host community must submit a copy of the resolution and the event's history to the OTC.

Upon review of the application and within 60 days of receipt of the passed resolution, the OTC will approve or disapprove the submission, in whole or in part. The OTC may require additional documentation or explanation if the application submission does not clearly demonstrate a positive economic impact.

Post-event verification of economic impact

Within 30 days of the event's conclusion, the host community must submit "actual documentation" related to the event, with supporting billing and payment information that details the total amount of eligible expenses. Actual documentation includes, but is not limited to, applicable information relating to event registration, ticket sales, associated hotel stays and any other information to support event participation/attendance along with lodging and other associated expenditures.⁷ The OTC uses the actual documentation to determine the amount of incremental state sales tax revenue that may be paid to the host community.

In the evaluation process, the OTC compares the total amount of eligible expenses to the incremental state sales tax revenues. If the difference between these is zero, no payment is made to the host community. If the incremental revenues are greater than the expenses, the host community is paid the difference. The host community must provide attendance figures or other public information that the OTC considers necessary to evaluate the actual economic impact of the event. Disbursements are made to host communities once all their eligible expenses have been approved and the incremental sales tax revenue is determined.

Program Challenges

Unclear Definition of Actual Documentation

A major change made to the Quality Events Incentive Act in 2018 was the removal, from statute, of the economic impact study as a requirement in the application materials. During the last review of the Quality Events program in 2016, it was recommended that the economic impact study be removed for several reasons. First, the

⁶ 68 OS 4301 through 4311

⁷ OTC Quality Events Guidelines letter: March 12th, 2019



economic impact study was a redundant task performed by the host community since the Department of Commerce would conduct its own economic analysis; second, the study was time consuming and, at times, led to disputes over economic impact assumptions and reasonableness; third, providing a professionally conducted economic impact study for each application can both be costly and time-consuming for host communities; finally, at the time, no other benchmarked state program included a requirement similar to the economic impact study in their application materials, let alone in statute. In order to improve efficiency, the evaluation recommended the removal of the economic impact study.

In place of the economic impact study, there was added the actual documentation provision to the 2018 amendment to the Quality Events Incentive Act. Section 4305 D states, “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.”⁸ The statute does not define “actual documentation,” and that exclusion presents issues both for the host community and the OTC.

Host communities are unclear as to how the OTC wants them to describe and represent the economic impact of the event through the actual documentation. OTC gave guidance as to what they expect in a letter to event hosts dated March 12, 2019; however, this language has not been widely circulated. It reads, “Actual documentation includes, but it is not limited to, applicable information relating to event registration, ticket sales, associated hotel stays and any other information which supports event participation/attendance along with lodging and other associated expenditures.” The full letter can be found in **Appendix B**.

Despite this definition, host communities still wrestle with the question of what should be included in the actual documentation. Furthermore, at times, the OTC might receive actual documentation that does not meet its needs in determining the incremental sales tax and must request additional information from the host community, which is another time-consuming process.

Disbursements

The OTC’s goal is to disburse funds for events as soon as possible once the event has concluded. In order to disburse funds to the host communities, the OTC must determine the revenue impact and verify that all the expenses have been paid out; both requirements can take an extended period of time to complete.

At times, the OTC needs additional information or documentation in order to properly determine the revenue impact. This process can be time consuming. Ideally, the host community is responsive to the request and can provide the information requested in a timely fashion; however, the host community must take a certain amount of time to prepare the documentation. Once the information is resubmitted, the OTC must perform its evaluation again. This back and forth can extend the time it takes a host community to receive their reimbursement.

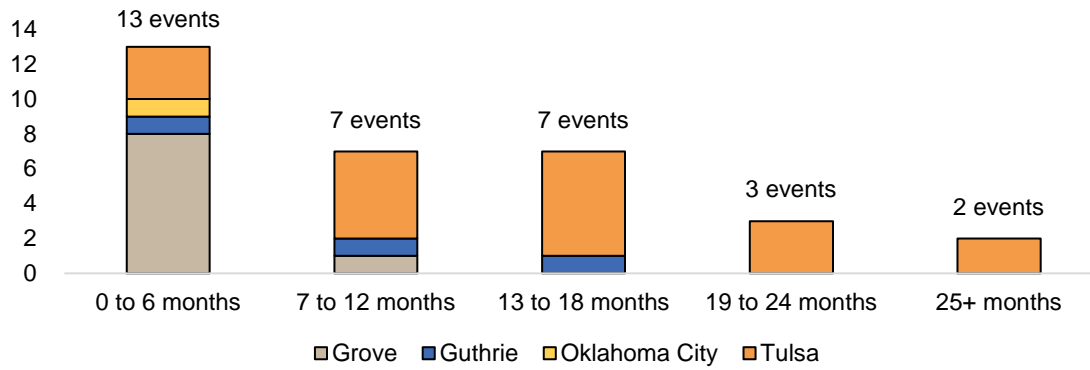
The OTC may not disburse funds to host communities until they have verified that all expenses have been paid. This presents problems mostly with third-party vendors that the host communities hire for the event. If the host community cannot provide proof that they paid those vendors, then the OTC cannot disburse funds to the host community. There are instances where the host community has had difficulty with providing documentation, which extends the time in which they will receive their disbursement.

Of the 32 events for which the OTC has disbursed funds since FY2016, the time from the last day of the event to the day of disbursement has ranged from 1 month to 27 months. The distribution of events by city is further described in Figure 2.

⁸ 68 OS 4305 D



Figure 2: Time to Disbursements⁹



⁹ Data compiled from FY2018 and FY2019 Quality Events Annual Reports and from additional data provided by the Oklahoma Tax Commission



Economic and Fiscal Impact



Fiscal Impact

Because communities cannot receive reimbursements in excess of the quantity of state sales tax revenues generated by the event, the state sales tax reimbursement incentive is revenue neutral.

A rigorous economic impact analysis of the Quality Events program cannot be conducted due to a lack of event data. Event data needed to conduct the economic impact analysis includes:

- Host communities' total cost to host the event
- Number of attendees and event participants
- Share of local vs out of town attendees and participants
- Length of time of the event (needed for hotel room night estimates)
- Attendee and participant daily spending (derived from event surveys or local Visitors Bureau)



Incentive Benchmarking



Benchmarking

A detailed description of comparable state programs can be found in **Appendix C**.

For evaluation purposes, benchmarking provides information related to how peer states use and evaluate similar incentives. At the outset, it should be understood that no states are ‘perfect peers’ – there will be multiple differences in economic, demographic and political factors that will have to be considered in any analysis; likewise, it is exceedingly rare that any two state incentive programs will be exactly the same.¹⁰ These benchmarking realities must be taken into consideration when making comparisons – and, for the sake of brevity, the report will not continually re-make this point throughout the discussion.

The process of creating a comparison group for incentives typically begins with bordering states. This is generally the starting point, because proximity often leads states to compete for the same regional businesses or business/industry investments. Second, neighboring states often (but not always) have similar economic, demographic or political structures that lend themselves to comparison.

Nationally, Oklahoma, Texas, and Missouri are the only states to offer an incentive to local governments and organizations who are considering hosting an event within each of their respective states. The programs are designed to make each state more competitive in attracting national and international events within the national and global economy at large. While Missouri takes an alternative approach compared to Oklahoma and Texas, each state leverages their tax revenues to attract greater notoriety to their state through the events themselves and generates an increased amount of tax revenues for their respective state.

Benchmarking Program Evaluations

Texas

Texas has three distinct trust funds created to sponsor events for municipalities and counties: The Events Trust Fund, Major Events Reimbursement Program, and Motor Sports Racing Trust Fund. The Major Events Reimbursement Program supports events that generate incremental tax revenue that equal or exceed \$1 million, like an all-star or championship sporting event. The Motor Sports Racing Trust supports motor sport races conducted at temporary venues. The Events Trust Fund Program assists communities by paying costs related to preparing for or conducting an event.

For the purposes of this section, the Major Events Reimbursement Program and the Motor Sports Racing Trust will not be considered in the comparative analysis. Based on their requirements, these programs would not approve most of the events that have previously qualified for Quality Events. Furthermore, the Major Events program is designed to attract professional sporting events as there are multiple professional sports franchises for each major sport in Texas; Oklahoma is different as there are far fewer professional sports teams and far smaller venues. Therefore, for Texas, Oklahoma’s Quality Events program will be compared to the Events Trust Fund because it is more broadly defined and supports a wider range of event types and sizes.

Texas’ Events Trust Fund Program

Texas’ Events Trust Fund is designed to help counties and municipalities pay for qualified expenses associated with an event. Events may qualify if it is a one-time event or is held no more than once per year. No later than 120 days after a site selection organization chooses a host county or municipality, funding may be applied for through the Economic Development & Tourism Office (“EDT”). EDT determines the event’s impact on state revenue by examining the incremental increase in State tax receipts that are directly attributed to the event over a 30-day period, ending one day after the final day of the event. The applicant remits the amount of local tax

¹⁰ The primary instances of exactly alike state incentive programs occur when states choose to ‘piggyback’ onto federal programs.



revenue that it expects to receive during the 30-day event period, or the “local share”, to the Events Trust Fund. The State then contributes 6.25 times the local share to the Events Trust Fund. The maximum amount a county or municipality may receive is \$200,000 in a twelve-month period.¹¹

Texas’ Events Trust Fund requires an economic impact study to be performed on the event in order to apply. While statute only provides a guideline that information regarding the economic impact should be provided to the state, the application process has formalized an economic impact study that each applicant must provide in order to be considered. In contrast, Oklahoma’s Quality Events program previously required an economic impact study in its application materials; however, in current form, it is not required. While the economic impact study can be more stringent and, in some cases, costly, the study can provide more clarity for applicants and make the State’s evaluation process more efficient.

Beyond the application process, there is a significant difference in the way funding is provided by Texas in comparison to Oklahoma. In Texas, host communities may access funds upfront, before the event occurs, while Oklahoma provides host communities reimbursements only after the event has taken place and after the impact has been confirmed. This is a critical difference as the upfront funding that Texas provides facilitates spending on improvements needed for the event to take place by making funds available that are 6.25 times the local share whereas Oklahoma qualifies expenditures for reimbursement after they have already been made.

Missouri’s Amateur Sports Contribution Tax Credit

Missouri’s Amateur Sports Contribution Tax Credit is designed to attract sporting events to the state by providing funding to local organizations through donations that may be claimed for tax credits. Local organizations may apply to this program if they have been authorized by a municipality or county to make a bid to host a sporting event, which is decided by a Site Selection Organization. The Site Selection Organization must be a major amateur organization that promotes, organizes, or administers sporting games or a major regional, national, or international sports association. Eligible sporting events include any amateur or Olympic sporting event that is competitively bid for or is awarded by a Site Selection Organization.¹²

Organizations apply to this program to receive tax credits for donors-any taxpaying individual or entity- who have made contributions to the event. Tax credits are equal to 50% of the eligible donation and can be applied to the Income Tax or Financial Institutions Tax, which include the Bank Tax and Insurance Premium Tax. Eligible donations include money, publicly traded stocks and bonds, and real estate valued using a valid appraisal from a 3rd party independent appraiser. The tax credits are useable within 2 years of the tax year that the tax credit was issued and are sellable and transferable. Applicants must apply separately for each different potential tax credit recipient so that the tax credits can be allocated accordingly. This program has an overall cap of \$10 million per fiscal year and has a sunset date of August 28, 2025.

The primary difference between Missouri’s program and Oklahoma’s Quality Events program is the funding mechanism: the former leverages support for the event through donations from individuals and organizations while the latter leverages sales revenue generated by the event. In Missouri’s case, the funding is available to the host community prior to the event whereas host communities in Oklahoma receive their funding through reimbursements after the event. In Missouri, the support amount is dependent on the fundraising ability of the host community while in Oklahoma, the support amount is dependent on attendance and sales figures, but also bounded by event expenses.

¹¹ Texas Civil Statutes, Article 5190.14

¹² Missouri Amateur Sports Contribution Tax Credit Application and Guidelines



Appendices



Appendix A: List of Quality Events

City	Event	Event Description	Years
Tulsa	US Club Soccer National Cup: South Central Regional	Soccer (Youth)	2018
Grove	Bassmaster Elite Series	Fishing (Professional)	2018
Tulsa	NCAA Division I Men's Basketball Tournament: 1 st and 2 nd Rounds	Basketball (College)	2017; 2019
Tulsa	USA BMX Sooner Nationals	BMX (All ages)	2016; 2017; 2018; 2019
Tulsa	USA BMX Grand Nationals	BMX (All ages)	2017; 2019
Guthrie	Zoetis Versatility Ranch Horse AQHA World Championship & Ranching Heritage Challenge Finals	Equestrian (Professional)	2015; 2018
Tulsa	USA Wrestling National Junior Dual Meet Championship	Wrestling (Youth)	2015; 2016; 2018
OK City	US National Arabian & Half-Arabian Championship Horse Show	Equestrian (Professional)	2016
Tulsa	US National Arabian & Half-Arabian Championship Horse Show	Equestrian (Professional)	2017; 2019
Grove	US Angler's Choice Fishing Tournament	Fishing (Professional)	2017
Grove	Costa FLW Series Fishing Tournament	Fishing (Professional)	2017; 2018
Grove	Grand Lake Big Bass Bash	Fishing (Professional)	2015; 2017; 2018
Tulsa	Big 12 Wrestling Championship	Wrestling (College)	2017; 2019; 2020
Grove	Bassmaster Open	Fishing (Professional)	2017; 2019
Tulsa	US Youth Soccer National President's Cup	Soccer (Youth)	2016
Tulsa	USA Gymnastics Stars & Stripes Classic	Gymnastics (Youth)	2016
Guthrie	National Little Britches Association Finals	Rodeo (Youth)	2016; 2017
Tulsa	NCAA Men's and Women's Tennis Championship	Tennis (College)	2016
Grove	Bassmaster Classic	Fishing (Professional)	2016
Tulsa	North American Deer Farmers Annual Conference	National Conference	2016
Grove	Rayovac FLW Series Central Division Opener	Fishing (Professional)	2015
Tulsa	Big 12 Baseball Championships	Baseball (College)	2015
Tulsa	US Youth Soccer National Championship	Soccer (Youth)	2015
Tulsa	USA Volleyball High Performance Championships	Volleyball (International)	2018
Grove	FLW T-H Marine Bass Fishing League Regional Tournament	Fishing (Professional)	2019
Grove	Bass Federation, Inc. Student Angler Federation's Oklahoma State Championship	Fishing (High School)	2020



Appendix B: OTC Letter to Event Hosts

OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

PHONE (405) 521-3133
FACSIMILE (405) 522-0063



March 12, 2019



RE: Quality Events

Dear [REDACTED],

This letter is to remind the [REDACTED] of the statutory requirements for Quality Event recognition. The Oklahoma Tax Commission will be following these laws, with no exceptions. Quality Event status is granted in accordance with the Oklahoma Quality Events Incentive Act, 68 O.S. §§ 4301 et seq. During the 2018 legislative session Senate Bill 1252 was passed, changing the process and documentation required for the Oklahoma Quality Events Incentive Act. These legislative changes became effective July 1, 2018. Pursuant to these changes the Tax Commission must receive actual documentation of incremental sales tax revenue to make a determination.

Under Oklahoma Law, all of the following requirements must be met for an event to receive Quality Event status and be eligible for payment:

- The host city must adopt a resolution or ordinance designating a quality event at least six (6) months prior to the start of the event;
- Within thirty (30) days of adoption of the resolution or ordinance designating a quality event the host city must submit a written request for Quality Event status recognition to the Tax Policy Department of the Oklahoma Tax Commission;
- Within sixty (60) days from receipt of the host city's request the Commission will



- approve or disapprove the event for Quality Event status;
- If the Commission approves the event for Quality Event status, the host city will need to submit actual documentation to the Tax Policy Department of the Oklahoma Tax Commission as soon as possible;
 - Within 30 days from the conclusion of the event the host city must submit to the Tax Policy Division of the Oklahoma Tax Commission an outline with supporting billing and payment information detailing the total amount of eligible local support amounts for determining the amount of incremental state sales tax revenue that may be paid to the host community.
 - Actual documentation includes, but is not limited to, applicable information relating to event registration, ticket sales, associated hotel stays and any other information which supports event participation/attendance along with lodging and other associated expenditures.

Should you have any questions, please feel free to contact me at (405)522-2083.

Sincerely,
OKLAHOMA TAX COMMISSION

Kathryn L. Sawyer
Tax Policy Analyst



Appendix C: Comparable State Programs

State	Program	Funding Mechanism
Texas	Events Trust Fund	Leverages state tax revenue to generate incremental tax revenues per event
Missouri	Amateur Sports Contribution Tax Credit	Offers tax credits based on donations made to support upcoming events