



Oklahoma Quality Events Incentive

2025 Annual Report



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Quality Events Report

Introduction

SB 1284 created the Quality Events incentive and it became effective July 1, 2012. This incentive was designed to promote certain quality events that have a significant positive economic impact.

The Legislature authorized the use of a portion of state sales tax revenues to be captured and provided to eligible counties and municipalities as a reimbursement for expenses that would help them attract events to their communities. The incentive provides a method by which the state can compete in a national and global economy for national or international events. The incentive assists local governments, promoters, and organizers with promoting, planning and performing the event. The Quality Events Program has a sunset of June 30, 2026.

Quality Events Incentive Requirements

- **Quality Event:** A Quality event is (1) a new event or a meeting of a nationally recognized organization, (2) a new or existing event that is a national, international or world championship, or (3) a new or existing event that is managed or produced by an Oklahoma-based national or international organization.
- **Designation of Events:** The host community must submit an application packet pertaining to the event (the geographic area, length of time for revenue capture, expenses, event history, and economic impact) to the Oklahoma Tax Commission at least 30 days before the event start date.
- **Event Approval:** The Oklahoma Tax Commission will then approve or disapprove the application. The Oklahoma Department of Commerce shall provide such assistance and information as requested by the Tax Commission to assess the reasonableness of the economic impact study. ODOC may determine the reasonableness of the impact after the provision of actual event data and with sufficient time for the Oklahoma Tax Commission to complete its determination of state benefit.
- **Disclosure by Local Community:** The host community must 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. At the conclusion of the event, the local community shall also provide attendance figures or other public information that the Tax Commission considers necessary to evaluate the actual economic impact of the event.
- **Verification:** The Tax Commission then verifies the amount of eligible local support amounts prior to making any payment to a host community. Within sixty (60) days after the application submission, the Tax Commission shall determine the amount of incremental state sales tax revenue remitted by vendors located within the designated quality event area.

2025 Events

During the 2025 Quality Events year, eight events successfully applied for funding and have been reimbursed. These events included sporting and community activities. Diversity in geography was not achieved however, as only Oklahoma City and Tulsa hosted any qualifying Quality Events.

Table 1. 2025 Events

Event	Date	Award Status	Award Amount	Estimated Increment	Venue
Riversport OK Rowfest	July 12 th , 2024- July 21 st , 2024	Approved	\$149,324	\$149,324	Riversport in Oklahoma City
Arabian Horse Association U.S. Nationals	October 16 th , 2024-October 17 th , 2024	Approved	\$250,000	\$929,299	Expo Square in Tulsa
USA BMX Grand Nationals	November 28 th , 2024-December 1 st , 2024	Approved	\$81,714	\$81,714	Expo Square in Tulsa
Tulsa Shootout	December 30 th , 2024-January 4 th , 2025	Approved	\$250,000	\$276,682	Expo Square in Tulsa
Cattlemen's Congress	January 4 th , 2025-January 16 th , 2025	Approved	\$236,665	\$250,000	OKC Fairgrounds
Tulsa Chili Bowl Nationals	January 12 th , 2025-January 18 th , 2025	Approved	\$250,000	\$578,812	Expo Square in Tulsa
National Reining Breeders Classic	April 15 th , 2025-April 26 th , 2025	Approved	\$170,339	\$170,339	Expo Square in Tulsa
OKC National Memorial Marathon	April 25 th , 2025-April 27 th , 2025	Approved	\$250,000	\$526,283	Throughout Oklahoma City
<i>Total</i>			<i>\$1,638,042</i>	<i>\$2,962,453</i>	

Performance Analysis

Given that successful applications are funded through sales tax, the sales tax generated by the events will be measured as a barometer of programmatic success for the State. The Tax Commission was unable to provide exact estimates of incremental sales tax collected, so the above figures are internal estimates based upon our calculations. This is all visualized in Table 1, both in terms of the state sales tax these events are estimated to have brought in as well as the ratio of what they bring in compared to what they cost the State. There were eight funded events in Fiscal Year 2025. They have been awarded over \$1.6M while generating over \$2.9M in estimated sales tax for the State. This return on investment for the State of Oklahoma is over 80% and is a performance that supports the current funding guidelines for the Quality Events Act.

Table 2. Analysis of Recent Events

Number of Events	Estimated Incremental Sales Tax	Total Amount Awarded	ROI
8	\$2,962,453	\$1,638,042	80.8%

Administrative Efforts and Statutory Recommendations

The last couple of years have seen an increase in proactive marketing efforts by the Oklahoma Department of Commerce (ODOC) for the Quality Events incentive. Conversations with major museums and rural fairgrounds have not yet borne fruit, but ODOC is confident that events will emerge from this increased effort. These and existing efforts place an administrative burden on ODOC with the Quality Events program which is not passed on to events, but the burden is manageable provided there are no additional requirements of Commerce. Currently, ODOC produces materials to explain and market the program, works to guide interested entities, and runs its own analysis to better assess the probable benefits of the event, but the community is ultimately responsible for providing the necessary information to the Oklahoma Tax Commission (OTC) to successfully advance its own application. The OTC is the entity responsible for formally evaluating events, sharing information with ODOC, and awarding or declining to award funds. As described under the incentive requirements section, there is a timeline for communities to submit their materials to the OTC.

Statute was amended only a few years ago to reintroduce ODOC to the Quality Events application process, but there are a few areas of review that the Department of Commerce advocates examining.

- Applications to the Quality Events incentive are received primarily from larger cities. **There has not been a Quality Event in a city under 100,000 in seven years, since 2018.** These cities are large enough to attract events that meet the statutory definition of a Quality Event – namely events that are from a national organization or are national, international or world championships. If this is the intent of the legislature, then the incentive is working well. However, most cities with populations of less than 100,000 people will struggle to attract national, international or world championships or meetings of national organizations.
 - This issue is exacerbated in some instances by the discomfiture of county governments with the liability language used in Quality Events’ agreements.
- Current process requires that applicants be evaluated within 60 days of their application submittal. Considering that many events are a week or longer, this inevitably leads to a time crunch where the application is submitted a month or so before the event which leads to the Tax Commission barely having time to review the data and determine the increment. Commerce proposes that the trigger for incremental review be shifted from that of the application submission to the end date of the event. This would give OTC more time to review and reach their conclusions.

Conclusion

As seen from the Events and Performance Analysis sections, the Quality Events Incentive is being utilized and creates a positive return on investment for the State based on the best modeling estimates

available. The original intention of the incentive, to help Oklahoma communities compete to host national and international events, has not become less significant either. Events are not immovable and can leave their current host community to the benefit or loss of Oklahoma. The preponderance of larger communities qualifying for the Quality Events incentive merits further review by the State Legislature to discern how the program could be made more widely available. The conclusion of this report is that the Quality Events Incentive is having a positive impact on the State and should continue past the upcoming sunset date but will require additional fine-tuning to maximize its efficacy.

Sources

The information found in this report or used to calculate what is found in this report came from two sources:

- Oklahoma Department of Commerce files
 - Previous incentive reports
 - Event files
- Oklahoma Tax Commission Event files