

SECOND REGULAR SESSION

HOUSE BILL NO. 1786

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES JONES (89) (Sponsor), CARTER, HUMMEL, KOMO,
FUNDERBURK, ROORDA, COLONA, GRISAMORE, LAMPE, GRILL AND KANDER (Co-sponsors).

3456L.03I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 67, RSMo, by adding thereto one new section relating to public funding to attract sporting events to Missouri.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 67, RSMo, is amended by adding thereto one new section, to be known as section 67.3000, to read as follows:

67.3000. 1. As used in this section, the following words shall mean:

- (1) "Applicant" or "applicants", one or more certified sponsors, endorsing municipalities, or endorsing counties or a local organizing committee, acting individually or collectively;
- (2) "Certified sponsor" or "certified sponsors", a sports commission which is an active member of the National Association of Sports Commissions or a convention and visitors bureau which is an active member of the Missouri Association of Convention and Visitors Bureaus;
- (3) "Department", the Missouri department of economic development;
- (4) "Director", the director of revenue;
- (5) "Endorsing county" or "endorsing counties", a county or counties that contain a site selected by a site selection organization for one or more games;
- (6) "Endorsing municipality" or "endorsing municipalities", a municipality or municipalities that contain a site selected by a site selection organization for one or more games;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 (7) "Game support contract" or "game support contracts", an event award
17 notification, joinder undertaking, joinder agreement, or contract executed by an applicant
18 and a site selection organization;

19 (8) "Game" or "games", a National Collegiate Athletic Association (NCAA)
20 national championship, including the Final Four, Frozen Four, wrestling championships,
21 and other men's and women's national championship events; NCAA postseason basketball
22 regional and first and second rounds; NCAA football bowl game; NCAA college football
23 game played at a neutral site; a collegiate athletic conference championship or tournament;
24 a national championship of an amateur sport sanctioned by the national governing body
25 of a sport recognized by the United States Olympic Committee (USOC); Olympic trials or
26 other Olympic competition; United States Golf Association (USGA) amateur event; Davis
27 Cup tennis match; World Cup soccer match; the Amateur Athletic Union (AAU) or other
28 major national youth sports championship; or other major sporting events approved by
29 the department that generate new incremental tax revenue for the state of Missouri. The
30 term includes any event and activity related to or associated with a game;

31 (9) "Joinder agreement", an agreement entered into by one or more applicants,
32 acting individually or collectively, and a site selection organization setting out
33 representations and assurances by each applicant in connection with the selection of a site
34 in this state for the location of a game;

35 (10) "Joinder undertaking", an agreement entered into by one or more applicants,
36 acting individually or collectively, and a site selection organization that each applicant will
37 execute a joinder agreement in the event that the site selection organization selects a site
38 in this state for a game;

39 (11) "Local organizing committee", a nonprofit corporation or its successor in
40 interest that:

41 (a) Has been authorized by one or more certified sponsors, endorsing
42 municipalities, or endorsing counties, acting individually or collectively, to pursue an
43 application and bid on its or the applicant's behalf to a site selection organization for
44 selection as the site of one or more games; or

45 (b) With the authorization of one or more certified sponsors, endorsing
46 municipalities, or endorsing counties, acting individually or collectively, executes an
47 agreement with a site selection organization regarding a bid to host one or more games;

48 (12) "Site selection organization", the NCAA; an NCAA member conference,
49 university, or institution; the USOC; a national governing body (NGB) or international
50 federation of a sport recognized by the USOC; the USGA; the United States Tennis
51 Association (USTA); the AAU; or other major national and international sports

52 associations, leagues, and organizations that promote, organize, or administer sporting
53 games, competitions, or events;

54 (13) "Tax credit" or "tax credits", a credit or credits issued by the department
55 against the tax otherwise due under chapter 143 or 148, excluding withholding tax imposed
56 by sections 143.191 to 143.265.

57 2. An applicant may submit a copy of a game support contract to the department.
58 Within sixty days of receipt of the game support contract, the department shall certify that
59 the applicant's game support contract is in accordance with the requirements of this
60 section. Upon certification of the game support contract by the department, the applicant
61 shall be authorized to receive the tax credit under subsection 4 of this section. In addition,
62 an applicant may request that the department estimate the incremental increase in the
63 receipts from the tax imposed by chapter 144 for general revenue purposes only,
64 determined in the manner set forth in subsection 3 of this section, that is directly
65 attributable to the preparation for and conduct of the game and related events. The
66 applicant may submit the department's estimate to a site selection organization.

67 3. In making the determinations of the estimated or actual incremental increase in
68 tax receipts provided for in this section, the department, in consultation with the director,
69 shall determine the geographic boundaries of the market area for the game and the time
70 period for which there is likely to be an economic impact attributable to the game. The
71 market area shall be the geographic area in which there is a reasonable likelihood of a
72 measurable economic impact directly attributable to the preparation for and conduct of
73 the game and related events, including areas likely to provide venues, accommodations,
74 and services in connection with the game based on the game support contract entered into
75 by the applicant and the site selection organization. An endorsing municipality or
76 endorsing county that has been selected as the site for the game shall be included in the
77 market area for the game. The time period shall be the two-week period that ends at the
78 end of the day after the date on which a game will be held or such longer period as
79 determined by the department.

80 4. No later than sixty days following the conclusion of the game, the department,
81 in consultation with the director, shall determine the amount of incremental increase in tax
82 revenues which are directly attributable to the game or related events, determined in the
83 manner set forth in subsection 3 of this section. For purposes of this section, the
84 incremental increase in tax revenues in the market area of the game shall be calculated
85 from the tax imposed by chapter 144 for general revenue purposes only. No later than
86 sixty days following the receipt of eligible costs and documentation of the costs from the

87 applicant as required in subsection 5 of this section, the department shall issue a
88 refundable tax credit to the applicant for the lesser of:

89 (1) One hundred percent of eligible costs incurred by the applicant; or

90 (2) Ninety percent of the incremental increase in tax revenues within the market
91 area directly attributable to the game.

92 5. No more than thirty days following the conclusion of the game, the applicant
93 shall submit eligible costs and documentation of the costs evidenced by receipts, paid
94 invoices, or other documentation in a manner prescribed by the department. For purposes
95 of this section, eligible costs shall include:

96 (1) Costs necessary for conducting the game;

97 (2) Costs relating to the preparations necessary for the conduct of the game; and

98 (3) An applicant's pledged obligations to the site selection organization as evidenced
99 by the game support contract;

100

101 Eligible costs shall not include any cost associated with the rehabilitation, acquisition, or
102 construction of any facilities used to host the game but may include costs associated with
103 the retrofitting of a facility necessary to accommodate the game.

104 6. In no event shall the amount of tax credits issued by the department under this
105 section exceed ten million dollars in any fiscal year.

106 7. Tax credits authorized by this section may be claimed against taxes imposed by
107 chapters 143 and 148 and shall be claimed within one year of the close of the taxable year
108 for which the credits were issued.

109 8. Tax credits authorized by this section may be transferred, sold, or assigned by
110 filing a notarized endorsement thereof with the department that names the transferee, the
111 amount of tax credit transferred, and the value received for the credit, as well as any other
112 information reasonably requested by the department.

113 9. The department shall only certify an applicant's game support contract for a
114 game in which the site selection organization has yet to select a location for the game as of
115 the effective date of this section.

116 10. An applicant shall provide any information necessary as determined by the
117 department for the department and the director to fulfill the duties required by this
118 section.

119 11. This section shall not be construed as creating or requiring a state guarantee
120 of obligations imposed on an endorsing municipality or endorsing county under a game
121 support contract or any other agreement relating to hosting one or more games in this
122 state.

123 **12. Game support contracts shall not be certified by the department after six years**
124 **following the effective date of this section, provided that the game support contracts may**
125 **be certified within such six-year period for games that will be held more than six years**
126 **following the effective date of this section.**

127 **13. The department may promulgate rules, statements of policy, procedures, forms,**
128 **and guidelines as necessary to implement the provisions of this section. Any rule or portion**
129 **of a rule, as that term is defined in section 536.010, that is created under the authority**
130 **delegated in this section shall become effective only if it complies with and is subject to all**
131 **of the provisions of chapter 536 and, if applicable, section 536.028. This section and**
132 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**
133 **under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule**
134 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**
135 **rule proposed or adopted after August 28, 2010, shall be invalid and void.**

✓