

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1786
95TH GENERAL ASSEMBLY

3456L.04C

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
2 known as section 67.3000, to read as follows:

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

2 **(1) "Active member", an organization located in the state of Missouri, which**
3 **solicits and services sports events, sports organizations, and sports facilities and other types**
4 **of sports-related activities in that community;**

5 **(2) "Applicant" or "applicants", one or more certified sponsors, endorsing**
6 **municipalities, or endorsing counties or a local organizing committee, acting individually**
7 **or collectively;**

8 **(3) "Certified sponsor" or "certified sponsors", a sports commission which is an**
9 **active member of the National Association of Sports Commissions or a convention and**
10 **visitors bureau which is an active member of the Missouri Association of Convention and**
11 **Visitors Bureaus;**

12 **(4) "Department", the Missouri department of economic development;**

13 **(5) "Director", the director of revenue;**

14 **(6) "Eligible event" or "eligible events", a type I or type II event;**

15 **(7) "Endorsing county" or "endorsing counties", a county or counties that contain**
16 **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.

17 (8) "Endorsing municipality" or "endorsing municipalities", a municipality or
18 municipalities that contain a site selected by a site selection organization for one or more
19 games;

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

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

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

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

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

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

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

53 leagues, and organizations that promote, organize, or administer sporting games,
54 competitions, or events; or other major national and international organizations that
55 promote or organize eligible events;

56 (14) "Support contract" or "support contracts", an event award notification,
57 joinder undertaking, joinder agreement, or contract executed by an applicant and a site
58 selection organization;

59 (15) "Tax credit" or "tax credits", a credit or credits issued by the department
60 against the tax otherwise due under chapter 143 or 148, excluding withholding tax imposed
61 by sections 143.191 to 143.265;

62 (16) "Type I event", an event or convention:

63 (1) Whose attendees are drawn primarily from a national or international, not local
64 or state, audience and are of significant stature and size to be approved by the department
65 as generating new tax revenue for the state of Missouri; and

66 (2) Which is located within any county, or any city not within a county, in the state
67 of Missouri, now or hereafter having a population of not less than two hundred fifty
68 thousand, and is either of the following:

69 (a) Any event or convention where the venue for the event or convention is
70 provided to a not-for-profit organizer of the event at a reduced base rental for its use of the
71 facility and which shall be projected to include not less than fifteen thousand attendees or
72 result in the reservation of not less than fifteen thousand hotel room nights within the
73 market area of the event identified by the department in subsection 3 of this section; or

74 (b) Any hosting of an event or convention for which the department determines
75 that the projected economic impact of events that could be awarded to an applicant as a
76 result of decisions by those attending the event or convention is reasonably likely to exceed
77 twenty million dollars;

78 (17) "Type II event", an event or convention which is located within any county in
79 the state of Missouri, now or hereafter having a population of less than two hundred fifty
80 thousand and is an event or convention where the venue for the event or convention is
81 provided to the not-for-profit organizer of the event at reduced base rental for its use of
82 the event facility.

83 2. An applicant may submit a copy of a support contract for a game or eligible
84 event to the department. Within sixty days of receipt of the support contract, the
85 department shall certify that the applicant's support contract is in accordance with the
86 requirements of this section. Upon certification of the support contract by the department,
87 the applicant shall be authorized to receive the tax credit under subsection 4 of this section.
88 In addition, an applicant may request that the department estimate the receipts from the

89 tax imposed by chapter 144 for general revenue purposes only, determined in the manner
90 set forth in subsection 3 of this section, that is directly attributable to the preparation for
91 and conduct of the game, eligible event, and related events. The applicant may submit the
92 department's estimate to a site selection organization.

93 3. In making the determinations of the estimated or actual tax receipts provided for
94 in this section, the department, in consultation with the director, shall determine the
95 geographic boundaries of the market area for the game or eligible event and the time
96 period for which there is likely to be an economic impact attributable to the game or
97 eligible event. The market area shall be the geographic area in which there is a reasonable
98 likelihood of a measurable economic impact directly attributable to the preparation for
99 and conduct of the game, eligible event, and related events, including areas likely to
100 provide venues, accommodations, and services in connection with the game or eligible event
101 based on the support contract entered into by the applicant and the site selection
102 organization. An endorsing municipality or endorsing county that has been selected as the
103 site for the game or eligible event shall be included in the market area for the game or
104 eligible event. The time period shall be the two-week period that ends at the end of the day
105 after the date on which a game or eligible event will be held or such longer period as
106 determined by the department.

107 4. No later than sixty days following the conclusion of the game or eligible event,
108 the department, in consultation with the director, shall determine the amount of tax
109 revenues which are directly attributable to the game, eligible event, or related events,
110 determined in the manner set forth in subsection 3 of this section. For purposes of this
111 section, the tax revenues in the market area of the game or eligible event shall be calculated
112 from the tax imposed by chapter 144 for general revenue purposes only. No later than
113 sixty days following the receipt of eligible costs and documentation of the costs from the
114 applicant as required in subsection 5 of this section, the department shall issue a
115 refundable tax credit to the applicant for the lesser of:

116 (1) One hundred percent of eligible costs incurred by the applicant; or
117 (2) Ninety percent of the tax revenues within the market area directly attributable
118 to the game or eligible event.

119 5. No more than sixty days following the conclusion of the game or eligible event,
120 the applicant shall submit eligible costs and documentation of the costs evidenced by
121 receipts, paid invoices, or other documentation in a manner prescribed by the department.
122 For purposes of this section, eligible costs shall include:

123 (1) Costs necessary for conducting the game or eligible event;

(2) Costs relating to the preparations necessary for the conduct of the game or eligible event; and

(3) An applicant's pledged obligations to the site selection organization as evidenced by the support contract for the game or eligible event;

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

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

(1) The amount of tax credits issued to applicants submitting a support contract for a game under this section shall not exceed seventy-five percent of the total amount of tax credits issued by the department in any fiscal year; and

(2) The amount of tax credits issued to applicants submitting a support contract for an eligible event under this section shall not exceed twenty-five percent of the total amount of tax credits issued by the department in any fiscal year.

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

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

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

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

11. At any time upon the request of the state of Missouri, a certified sponsor will subject itself to an audit conducted by the state.

12. This section shall not be construed as creating or requiring a state guarantee of obligations imposed on an endorsing municipality or endorsing county under a support

159 contract or any other agreement relating to hosting one or more games or eligible events
160 in this state.

161 13. Support contracts shall not be certified by the department after six years
162 following the effective date of this section, provided that the support contracts may be
163 certified within such six-year period for games or eligible events that will be held more
164 than six years following the effective date of this section.

165 14. The department may promulgate rules, statements of policy, procedures, forms,
166 and guidelines as necessary to implement the provisions of this section. Any rule or portion
167 of a rule, as that term is defined in section 536.010, that is created under the authority
168 delegated in this section shall become effective only if it complies with and is subject to all
169 of the provisions of chapter 536 and, if applicable, section 536.028. This section and
170 chapter 536 are nonseverable and if any of the powers vested with the general assembly
171 under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule
172 are subsequently held unconstitutional, then the grant of rulemaking authority and any
173 rule proposed or adopted after August 28, 2010, shall be invalid and void.

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