

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

**HOUSE BILL NO. 1786**

**95TH GENERAL ASSEMBLY**

3456L.04P

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

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

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*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;**

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

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

128  
129 Eligible costs shall not include any cost associated with the rehabilitation, acquisition, or  
130 construction of any facilities used to host the game or eligible event but may include costs  
131 associated with the retrofitting of a facility necessary to accommodate the game or eligible  
132 event.

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

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

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

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

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

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

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

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

157           12. This section shall not be construed as creating or requiring a state guarantee  
158 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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