

SECOND REGULAR SESSION

HOUSE BILL NO. 2655

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BURLISON.

6637H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 67.3000 and 67.3005, RSMo, and to enact in lieu thereof two new sections relating to event support contracts.

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

Section A. Sections 67.3000 and 67.3005, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 67.3000 and 67.3005, to read as follows:

67.3000. 1. As used in this section and section 67.3005, the following words shall mean:

(1) "Academic event", **any academy, camp, contest, debate, exposition, fair, school trip, spelling bee, tournament, or other school- or education-related activity for students of an elementary, secondary, or higher education institution that occurs on or after January 1, 2017. An academic event shall not include any conference, exposition, or fair for professional educators or school faculty;**

(2) "Active member", an organization located in the state of Missouri which solicits and services [sports] **academic events or sporting events, academic or sports organizations, [and] or other types of academic- or sports-related activities in that community;**

[(2)] (3) "Applicant" or "applicants", one or more certified sponsors, [endorsing counties,] endorsing municipalities, [or a] local organizing committee, **or group that organizes academic events,** acting individually or collectively;

[(3)] (4) "Certified sponsor" or "certified sponsors", a nonprofit organization which is an active member of the National Association of Sports Commissions;

[(4)] (5) "Department", the Missouri department of economic development;

[(5)] (6) "Director", the director of revenue;

[(6)] (7) "Eligible costs" shall include:

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.

- 18 (a) Costs necessary for conducting the [sporting event] **eligible event**;
- 19 (b) Costs relating to the preparations necessary for the conduct of the [sporting event]
- 20 **eligible event**; and
- 21 (c) An applicant's pledged obligations to the site selection organization as evidenced by
- 22 the support contract for the [sporting event] **eligible event**.
- 23
- 24 "Eligible costs" shall not include any cost associated with the rehabilitation or construction of
- 25 any facilities used to host the [sporting event] **eligible event** or direct payments to a for-profit
- 26 site selection organization, but may include costs associated with the retrofitting of a facility
- 27 necessary to accommodate the [sporting event] **eligible event**;
- 28 [(7)] (8) "Eligible donation", donations received, by a certified sponsor or local
- 29 organizing committee, from a taxpayer that may include cash, publicly traded stocks and bonds,
- 30 and real estate that will be valued and documented according to rules promulgated by the
- 31 department. Such donations shall be used solely to provide funding to attract [sporting events]
- 32 **eligible events** to this state;
- 33 [(8)] (9) "**Eligible event**" or "**eligible events**", any academic event or sporting event;
- 34 (10) "Endorsing municipality" or "endorsing municipalities", any city, town,
- 35 incorporated village, or county that contains a site selected by a site selection organization for
- 36 one or more [sporting events] **eligible events**;
- 37 [(9)] (11) "Joinder agreement", an agreement entered into by one or more applicants,
- 38 acting individually or collectively, and a site selection organization setting out representations
- 39 and assurances by each applicant in connection with the selection of a site in this state for the
- 40 location of [a sporting event] **an eligible event**;
- 41 [(10)] (12) "Joinder undertaking", an agreement entered into by one or more applicants,
- 42 acting individually or collectively, and a site selection organization that each applicant will
- 43 execute a joinder agreement in the event that the site selection organization selects a site in this
- 44 state for [a sporting event] **an eligible event**;
- 45 [(11)] (13) "Local organizing committee", a nonprofit corporation or its successor in
- 46 interest that:
- 47 (a) Has been authorized by one or more certified sponsors, endorsing municipalities, or
- 48 endorsing counties, acting individually or collectively, to pursue an application and bid on its or
- 49 the applicant's behalf to a site selection organization for selection as the host of one or more
- 50 [sporting events] **eligible events**; or
- 51 (b) With the authorization of one or more certified sponsors, endorsing municipalities,
- 52 or endorsing counties, acting individually or collectively, executes an agreement with a site
- 53 selection organization regarding a bid to host one or more [sporting events] **eligible events**;

54 [(12)] **(14)** "Site selection organization", the National Collegiate Athletic Association
55 (NCAA); an NCAA member conference, university, or institution; the National Association of
56 Intercollegiate Athletics (NAIA); the United States Olympic Committee (USOC); a national
57 governing body (NGB) or international federation of a sport recognized by the USOC; the United
58 States Golf Association (USGA); the United States Tennis Association (USTA); the Amateur
59 Softball Association of America (ASA); other major regional, national, [and] **or** international
60 sports associations[, and] ; **the Mathematical Association of America (MAA); the National**
61 **Academic Quiz Tournaments, LCC (NAQT); the National Speech & Debate Association;**
62 **the National Spelling Bee; the US Chess Federation; other major regional, national, or**
63 **international academic or educational organization; or** amateur organizations that promote,
64 organize, or administer [sporting] **academic or sports** games or competitions; or other major
65 regional, national, and international organizations that promote or organize [sporting events]
66 **eligible events;**

67 [(13)] **(15)** "Sporting event" [or "sporting events"], an amateur or Olympic sporting event
68 that is competitively bid or is awarded by a site selection organization;

69 [(14)] **(16)** "Support contract" or "support contracts", an event award notification, joinder
70 undertaking, joinder agreement, or contract executed by an applicant and a site selection
71 organization;

72 [(15)] **(17)** "Tax credit" or "tax credits", a credit or credits issued by the department
73 against the tax otherwise due under chapter 143 or 148, excluding withholding tax imposed
74 under sections 143.191 to 143.265;

75 [(16)] **(18)** "Taxpayer", any of the following individuals or entities who make an eligible
76 donation:

77 (a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation
78 doing business in the state of Missouri and subject to the state income tax imposed under chapter
79 143;

80 (b) [A corporation subject to the annual corporation franchise tax imposed under chapter
81 147;

82 (c)] An insurance company paying an annual tax on its gross premium receipts in this
83 state;

84 [(d)] **(c)** Any other financial institution paying taxes to the state of Missouri or any
85 political subdivision of this state under chapter 148;

86 [(e)] **(d)** An individual subject to the state income tax imposed under chapter 143;

87 [(f)] **(e)** Any charitable organization which is exempt from federal income tax and whose
88 Missouri unrelated business taxable income, if any, would be subject to the state income tax
89 imposed under chapter 143.

90 2. An applicant may submit a copy of a support contract for [a sporting event] **an eligible**
91 **event** to the department. Within sixty days of receipt of the [sporting event] **eligible event**
92 support contract, the department may review the applicant's support contract and certify such
93 support contract if it complies with the requirements of this section. Upon certification of the
94 support contract by the department, the applicant may be authorized to receive the tax credit
95 under subsection 4 of this section.

96 3. No more than thirty days following the conclusion of the [sporting event] **eligible**
97 **event**, the applicant shall submit eligible costs and documentation of the costs evidenced by
98 receipts, paid invoices, or other documentation in a manner prescribed by the department.

99 4. No later than seven days following the conclusion of the [sporting event] **eligible**
100 **event**, the department, in consultation with the director, may determine the total number of
101 tickets sold at face value for such event. No later than sixty days following the receipt of eligible
102 costs and documentation of such costs from the applicant as required in subsection 3 of this
103 section, the department may issue a refundable tax credit to the applicant for the lesser of one
104 hundred percent of eligible costs incurred by the applicant or an amount equal to five dollars for
105 every admission ticket sold to such event. Tax credits authorized by this section may be claimed
106 against taxes imposed by chapters 143 and 148 and shall be claimed within one year of the close
107 of the [taxable] **tax** year for which the credits were issued. Tax credits authorized by this section
108 may be transferred, sold, or assigned by filing a notarized endorsement thereof with the
109 department that names the transferee, the amount of tax credit transferred, and the value received
110 for the credit, as well as any other information reasonably requested by the department.

111 5. In no event shall the amount of tax credits issued by the department under subsection
112 4 of this section exceed three million dollars in any fiscal year.

113 6. An applicant shall provide any information necessary as determined by the department
114 for the department and the director to fulfill the duties required by this section. At any time upon
115 the request of the state of Missouri, a certified sponsor shall subject itself to an audit conducted
116 by the state.

117 7. This section shall not be construed as creating or requiring a state guarantee of
118 obligations imposed on an endorsing municipality under a support contract or any other
119 agreement relating to hosting one or more [sporting events] **eligible events** in this state.

120 8. The department shall only certify an applicant's support contract for a sporting event
121 in which the site selection organization has yet to select a location for the sporting event as of
122 December 1, 2012. **The department shall only certify an applicant's support contract for**
123 **an academic event if the site selection organization has not yet selected a location for the**
124 **academic event as of December 1, 2016.** No support contract shall be certified unless the site
125 selection organization has chosen to use a location in this state from competitive bids, at least

one of which was a bid for a location outside of this state. Support contracts shall not be certified by the department after August 28, [2019] **2022**, provided that the support contracts may be certified on or prior to August 28, [2019] **2022**, for [sporting events] **eligible events** that will be held after such date.

9. The department may promulgate rules as necessary to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, [2013] **2016**, shall be invalid and void.

67.3005. 1. For all [taxable] **tax** years beginning on or after January 1, 2013, any taxpayer shall be allowed a credit against the taxes otherwise due under chapter 143 [, 147,] or 148, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of the amount of an eligible donation, subject to the restrictions in this section. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state income tax liability in the tax year for which the credit is claimed. Any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer's two subsequent [taxable] **tax** years.

2. To claim the credit authorized in this section, a certified sponsor or local organizing committee shall submit to the department an application for the tax credit authorized by this section on behalf of taxpayers. The department shall verify that the applicant has submitted the following items accurately and completely:

(1) A valid application in the form and format required by the department;

(2) A statement attesting to the eligible donation received, which shall include the name and taxpayer identification number of the individual making the eligible donation, the amount of the eligible donation, and the date the eligible donation was received; and

(3) Payment from the certified sponsor or local organizing committee equal to the value of the tax credit for which application is made.

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If the certified sponsor or local organizing committee applying for the tax credit meets all criteria required by this subsection, the department shall issue a certificate in the appropriate amount.

3. Tax credits issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit shall have the same rights in the credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a

25 notarized endorsement shall be filed with the department specifying the name and address of the
26 new owner of the tax credit or the value of the credit. In no event shall the amount of tax credits
27 issued by the department under this section exceed ten million dollars in any fiscal year.

28 4. The department shall promulgate rules to implement the provisions of this section.
29 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the
30 authority delegated in this section shall become effective only if it complies with and is subject
31 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
32 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant
33 to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
34 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
35 or adopted after August 28, [2013] **2016**, shall be invalid and void.

36 5. Under section 23.253 of the Missouri sunset act:

37 (1) The provisions of the new program authorized under section 67.3000 and under this
38 section shall automatically sunset six years after [August 28, 2013] **the effective date of this**
39 **section**, unless reauthorized by an act of the general assembly; and

40 (2) If such program is reauthorized, the program authorized under section 67.3000 and
41 under this section shall automatically sunset **on December thirty-first** twelve years after the
42 effective date of the reauthorization of these sections; and

43 (3) Section 67.3000 and this section shall terminate on September first of the calendar
44 year immediately following the calendar year in which the program authorized under these
45 sections is sunset.

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