

SECOND REGULAR SESSION

# HOUSE BILL NO. 2883

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MATTHIESSEN.

6136H.01I

JOSEPH ENGLER, Chief Clerk

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### AN ACT

To repeal section 100.240, RSMo, and to enact in lieu thereof one new section relating to the show-me sports investment act.

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

Section A. Section 100.240, RSMo, is repealed and one new section enacted in lieu  
2 thereof, to be known as section 100.240, to read as follows:

100.240. 1. This section shall be known and may be cited as the "Show-Me Sports  
2 Investment Act".

3       2. The state of Missouri, acting through the department and the office of  
4 administration, may, upon such terms and with reasonable consideration as it may determine,  
5 subject to appropriation, expend funds for the purpose of aiding and cooperating in the  
6 planning, undertaking, financing, or carrying out of an athletic and entertainment facility  
7 project for which application is made to the department and approved by the director and the  
8 commissioner.

9       3. As used in this section, the following terms shall mean:

10       (1) "**Adjusted baseline state average**", the average of the state tax revenues, as  
11 defined under subdivision (13) of this subsection, received in the five calendar years  
12 immediately preceding the submission of an application to the department under this  
13 section, excluding the values of the highest and lowest years of state tax revenues;

14       (2) "**Adjusted baseline state tax revenues**", the state tax revenues derived  
15 directly from the operations of the athletic and entertainment facility of the professional  
16 sports franchise, including vendors and tenants located in the athletic and  
17 entertainment facility, but excluding all state tax revenues derived from matches of

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 **the 2026 FIFA World Cup soccer tournament which are held in any county with more**  
19 **than seven hundred thousand but fewer than eight hundred thousand inhabitants, as**  
20 **calculated under the adjusted baseline state average;**

21 (3) "Athletic and entertainment facility", structures, fixtures, systems, and facilities of  
22 sports and entertainment venues with seating capacity of more than thirty thousand, including  
23 associated parking facilities, and that the director and commissioner determine is a  
24 contributing factor in the attraction or retention of sports, recreational, or entertainment  
25 activities, whether professional, commercial, or private, and a primary factor in the retention  
26 of a professional sports franchise in the state. An athletic and entertainment facility may  
27 include a professional sports franchise's headquarters facility and training facility, regardless  
28 of whether they are co-located in or adjacent to the stadium, but still located within the state.  
29 Such structures, fixtures, systems, and facilities may include, but are not limited to,  
30 foundations, roofs, interior and exterior walls or windows, floors, steps, stairs, concourses,  
31 hallways, restrooms, event or meeting spaces or other hospitality-related areas, concession or  
32 food preparation areas, or services systems such as mechanical, gas utility, electrical, lighting,  
33 communication, sound, sanitary, HVAC, elevator, escalator, plumbing, sprinkler, cabling and  
34 wiring, life-safety security cameras, access deterrents, public safety improvements, or other  
35 building systems;

36 ~~(2) "Baseline year", the calendar year prior to submission of an application to the~~  
37 ~~department under this section;~~

38 ~~(3) "Baseline year state tax revenues", the state tax revenues derived directly from the~~  
39 ~~operations of the athletic and entertainment facility of the professional sports franchise,~~  
40 ~~including vendors and tenants located in the athletic and entertainment facility but excluding~~  
41 ~~all state tax revenues derived from matches of the 2026 FIFA World Cup soccer tournament~~  
42 ~~which are held in any county with more than seven hundred thousand but fewer than eight~~  
43 ~~hundred thousand inhabitants, during the baseline year;]~~

44 (4) "Board", the Missouri development finance board created by section 100.265;

45 (5) "Commissioner", the commissioner of the office of administration of the state of  
46 Missouri;

47 (6) "Department", the Missouri department of economic development created by  
48 section 620.010;

49 (7) "Director", the director of the department of economic development;

50 (8) "Lease", a lease agreement between the professional sports franchise and the  
51 owner of the athletic and entertainment facility, without regard to options to renew the lease.

52 For the purposes of subdivision (5) of subsection 5 of this section, in the event one component  
53 of the athletic and entertainment facility has a different end of the term of the lease date than  
54 another component, the lease term that ends the latest in time shall be applicable;

55 (9) "Professional sports franchise", any professional sports team that is a member of  
56 Major League Baseball or the National Football League;

57 (10) "Project", the development, construction, reconstruction, rehabilitation, repair, or  
58 improvement of any athletic and entertainment facility for which an application is made and  
59 approved by the director and the commissioner. A project must have total project costs of at  
60 least five hundred million dollars to be eligible for funding under this section. Residential,  
61 commercial, retail, or mixed-use development adjacent to an athletic and entertainment  
62 facility shall not be included as part of the project. All projects receiving appropriations  
63 pursuant to this section shall comply with the provisions of sections 290.210 to 290.340;

64 (11) "State tax liability", any liability incurred by a taxpayer under chapter 143, 147,  
65 or 148, exclusive of the provisions relating to the withholding of tax as provided for in  
66 sections 143.191 to 143.265 and related provisions;

67 (12) "State tax revenues", the sum of the following:

68 (a) The general revenue portion of state sales tax revenues received under section  
69 144.020, excluding sales taxes that are constitutionally dedicated, taxes deposited to the  
70 school district trust fund in accordance with section 144.701, sales and use taxes on motor  
71 vehicles, trailers, boats, and outboard motors, and future sales taxes earmarked by law;

72 (b) The state income tax withheld on behalf of employees by an employer under  
73 section 143.221; and

74 (c) The nonresident professional athletes and entertainers state income tax revenues  
75 as set forth in section 143.183;

76 (13) "Tax credit", a credit against the taxpayer's state tax liability, or which may be  
77 transferred or sold as provided for in subsection 7 of section 100.286.

78 4. Applicants shall submit an application to the department containing all information  
79 required by the department, including information to ascertain the applicant's **adjusted**  
80 baseline year state tax revenues. The director and the commissioner shall review the  
81 application for eligibility and may, in their discretion, enter into an agreement as described in  
82 subsection 2 of this section, provided the agreement meets all other requirements of this  
83 section. Notwithstanding section 32.057 to the contrary, the department of revenue shall,  
84 pursuant to an agreement as authorized by section 610.032, disclose to the director and the  
85 commissioner, or their duly authorized employees, information from reports or returns so that  
86 the **adjusted** baseline state tax revenues can be verified.

87 5. Any annual expenditure by the state in connection with an athletic and  
88 entertainment facility project shall be subject to annual appropriation and shall be no greater  
89 than an amount equal to the **adjusted** baseline year state tax revenues for the applicable  
90 professional sports franchise's athletic and entertainment facility, as stated in an agreement

91 entered into between the department, the office of administration, and the applicant; provided,  
92 however, that:

93 (1) The term of state appropriations under any such agreement shall not exceed thirty  
94 years;

95 (2) The annual amount of the state appropriation authorized under this section for a  
96 project shall not exceed an amount equal to the **adjusted** baseline year state tax revenues for  
97 the athletic and entertainment facility of the professional sports franchise for any fiscal year;

98 (3) The net bond proceeds of any bonds supported by annual expenditures by the state  
99 under subsections 2 to 5 of this section for any project shall not exceed fifty percent of the  
100 total costs of the project;

101 (4) The director and the commissioner are satisfied that there is sufficient public  
102 investment made or to be made by units of local government to support infrastructure or other  
103 needs generated by the project; and

104 (5) For any athletic and entertainment facility project for which funds are expended  
105 under this section, if the owners of the applicable professional sports franchise relocate any of  
106 the professional sports franchise, athletic and entertainment facility, headquarters, or training  
107 facility, and if any such facility is located in the state at the time the application is submitted  
108 or is constructed in the state as part of the project, to another state during the term of the  
109 agreement entered into under subsections 2 to 5 of this section, it shall be considered a default  
110 event, and such owners of the professional sports franchise shall repay to the state general  
111 revenue fund:

112 (a) The amount of funds expended by the state pursuant to such agreement through  
113 the date of the default event;

114 (b) The total debt service remaining for any outstanding bonded indebtedness for the  
115 project that was to be paid from state revenues under the agreement after the date of the  
116 default event through the maturity date of any such bonds or an amount sufficient to pay off  
117 any such bonds; and

118 (c) The amount of the tax credits issued under subsection 6 of this section. If,  
119 however, the default event occurs within five years of the ending of the term of the lease, then  
120 the owners of the professional sports franchise shall be responsible for the total debt service  
121 remaining for any outstanding bonded indebtedness for the project that was to be paid from  
122 state revenues under the agreement or an amount sufficient to pay off any such bonds, and for  
123 no other funds expended by the state under the agreement nor for tax credits issued under  
124 subsection 6 of this section.

125 6. (1) For the purposes of funding an athletic and entertainment facility project as  
126 described in this section, the board may, in addition to the authority under subsection 6 of  
127 section 100.286, authorize any taxpayer, including any charitable organization that is exempt

128 from federal income tax and whose Missouri unrelated business taxable income, if any, would  
129 be subject to the state income tax imposed pursuant to chapter 143, to receive a tax credit in  
130 the amount of fifty percent of any amount contributed in money or property by the taxpayer to  
131 the infrastructure development fund during the taxpayer's tax year, provided, however, the tax  
132 credits awarded under this subsection for an athletic and entertainment facility project shall  
133 not exceed ten percent of the amount of private investment in the athletic and entertainment  
134 facility project or fifty million dollars, whichever is less, and the total of such tax credits may  
135 be issued over a maximum of three calendar years, at the discretion of the board. Such credit  
136 shall not apply to reserve participation fees paid by borrowers under sections 100.250 to  
137 100.297.

138 (2) The portion of earned tax credits which exceeds the taxpayer's tax liability may be  
139 carried forward for up to five years following the issuance year.

140 (3) The annual limits in section 100.286 shall not apply to tax credits issued under  
141 this subsection. Tax credits issued under this subsection shall not count towards the annual  
142 limits in section 100.286.

143 (4) The tax credits issued under this subsection may be transferred or sold as  
144 described in subsection 7 of section 100.286.

145 (5) If an athletic and entertainment facility project receives tax credits under this  
146 subsection, such athletic and entertainment facility project shall not be permitted to receive  
147 tax credits under section 100.286.

148 7. In addition to any other authority granted under section 100.250, the board is  
149 authorized to issue its bonds payable from the annual expenditure by the state described in  
150 this section to assist in the financing of an athletic and entertainment facility project.

151 8. Notwithstanding any provision of law to the contrary, contributions received by  
152 any committee, as such terms are defined in section 130.011, may be used for any reasonable  
153 legal fees incurred in defense of a legal proceeding arising out of the official duties conducted  
154 pursuant to this section by a holder of elective office.

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