

SECOND REGULAR SESSION

HOUSE BILL NO. 3156

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE JONES (12).

6961H.011

JOSEPH ENGLER, Chief Clerk

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.

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Section A. Section 100.240, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 100.240, to read as follows: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

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

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

(1) "Athletic and entertainment facility", structures, fixtures, systems, and facilities of sports and entertainment venues with seating capacity of more than thirty thousand, including associated parking facilities, and that the director and commissioner determine is a contributing factor in the attraction or retention of sports, recreational, or entertainment activities, whether professional, commercial, or private, and a primary factor in the retention of a professional sports franchise in the state. An athletic and entertainment facility may include a professional sports franchise's headquarters facility and training facility, regardless of whether they are co-located in or adjacent to the stadium, but still located within the state.

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 Such structures, fixtures, systems, and facilities may include, but are not limited to,
19 foundations, roofs, interior and exterior walls or windows, floors, steps, stairs, concourses,
20 hallways, restrooms, event or meeting spaces or other hospitality-related areas, concession or
21 food preparation areas, or services systems such as mechanical, gas utility, electrical, lighting,
22 communication, sound, sanitary, HVAC, elevator, escalator, plumbing, sprinkler, cabling and
23 wiring, life-safety security cameras, access deterrents, public safety improvements, or other
24 building systems;

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

27 (3) "Baseline year state tax revenues", the state tax revenues derived directly from the
28 operations of the athletic and entertainment facility of the professional sports franchise,
29 including vendors and tenants located in the athletic and entertainment facility but excluding
30 all state tax revenues derived from matches of the 2026 FIFA World Cup soccer tournament
31 which are held in any county with more than seven hundred thousand but fewer than eight
32 hundred thousand inhabitants, during the baseline year;

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

34 (5) "Commissioner", the commissioner of the office of administration of the state of
35 Missouri;

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

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

39 (8) "Lease", a lease agreement between the professional sports franchise and the
40 owner of the athletic and entertainment facility, without regard to options to renew the lease.
41 For the purposes of subdivision (5) of subsection 5 of this section, in the event one component
42 of the athletic and entertainment facility has a different end of the term of the lease date than
43 another component, the lease term that ends the latest in time shall be applicable;

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

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

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

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

57 (a) The general revenue portion of state sales tax revenues received under section
58 144.020, excluding sales taxes that are constitutionally dedicated, taxes deposited to the
59 school district trust fund in accordance with section 144.701, sales and use taxes on motor
60 vehicles, trailers, boats, and outboard motors, and future sales taxes earmarked by law;

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

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

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

67 4. Applicants shall submit an application to the department containing all information
68 required by the department, including information to ascertain the applicant's baseline year
69 state tax revenues. The director and the commissioner shall review the application for
70 eligibility and may, in their discretion, enter into an agreement as described in subsection 2 of
71 this section, provided the agreement meets all other requirements of this section.
72 Notwithstanding section 32.057 to the contrary, the department of revenue shall, pursuant
73 to an agreement as authorized by section 610.032, disclose to the director and the
74 commissioner, or their duly authorized employees, information from reports or returns so that
75 the baseline state tax revenues can be verified.

76 5. Any annual expenditure by the state in connection with an athletic and
77 entertainment facility project shall be subject to annual appropriation and shall be no greater
78 than an amount equal to the baseline year state tax revenues for the applicable professional
79 sports franchise's athletic and entertainment facility, as stated in an agreement entered into
80 between the department, the office of administration, and the applicant; provided, however,
81 that:

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

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

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

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

93 (5) **For projects with a projected cost exceeding one hundred million dollars, an**
94 **election has been held under the provisions of chapter 115 and a majority of votes cast**
95 **by the voters of the unit of local government were in favor of the project; and**

96 (6) For any athletic and entertainment facility project for which funds are expended
97 under this section, if the owners of the applicable professional sports franchise relocate any of
98 the professional sports franchise, athletic and entertainment facility, headquarters, or training
99 facility, and if any such facility is located in the state at the time the application is submitted
100 or is constructed in the state as part of the project, to another state during the term of the
101 agreement entered into under subsections 2 to 5 of this section, it shall be considered a default
102 event, and such owners of the professional sports franchise shall repay to the state general
103 revenue fund:

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

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

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

117 6. (1) For the purposes of funding an athletic and entertainment facility project as
118 described in this section, the board may, in addition to the authority under subsection 6 of
119 section 100.286, authorize any taxpayer, including any charitable organization that is exempt
120 from federal income tax and whose Missouri unrelated business taxable income, if any, would
121 be subject to the state income tax imposed pursuant to chapter 143, to receive a tax credit in
122 the amount of fifty percent of any amount contributed in money or property by the taxpayer to
123 the infrastructure development fund during the taxpayer's tax year, provided, however, the tax
124 credits awarded under this subsection for an athletic and entertainment facility project shall
125 not exceed ten percent of the amount of private investment in the athletic and entertainment
126 facility project or fifty million dollars, whichever is less, and the total of such tax credits may

127 be issued over a maximum of three calendar years, at the discretion of the board. Such credit
128 shall not apply to reserve participation fees paid by borrowers under sections 100.250 to
129 100.297.

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

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

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

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

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

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

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