

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 1** SLS 161ES 21
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: February 18, 2016 8:40 AM	Author: MARTINY
Dept./Agy.: Economic Development	
Subject: Adds college tournament or championship to event list	Analyst: Deborah Vivien

FUNDS/FUNDING RE SEE FISC NOTE GF RV See Note Page 1 of 1
 Provides relative to the definition of qualified event or qualified major event for purposes of the Major Events Incentive Program. (gov sig)

Current law authorizes the Major Events Incentive Program which allows the Secretary of Economic Development to determine an incremental amount of state excise and state sales tax (excluding hotel-motel occupancy tax) generated by all qualified events and deposit that amount into the Major Events Incentive Program Subfund. Use of the funds are limited to those allowed within the Mega-Project Development Fund, which includes use to support qualified events in the state. Use of the funds ultimately requires an appropriation, a cooperative endeavor agreement and approval of the Governor and JLCB. Qualified events are specified in the statute and specific site selection organizations are listed as eligible for contractual agreements. The qualified events must be the result of a competitive selection process with the state as the sole site for the event, and the event must not be held more frequently than once per year.

Proposed law adds a college tournament or championship to the list of qualified events.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. As with other qualified events, any costs associated with determining economic impacts of select college tournaments or championships will be absorbed in the agency budget.

REVENUE EXPLANATION

The bill will only have a fiscal impact if the site selector for a college tournament or championship enters into a cooperative endeavor agreement with the Department of Economic Development, at which time the Secretary will calculate the incremental state excise and state sales tax (excluding hotel-motel occupancy tax) expected to be associated with the event. Upon direction and approval of JLCB, the treasurer will then transfer a similar amount, presumably from the state general fund, to the Major Events Incentive Subfund, intended for use to support the event. Use of the funds will require an appropriation from the MegaProject Development Fund which contains the subfund.

The qualified events being added by this bill provide a broad event description that could qualify numerous events for this program. However, the Department of Economic Development and the endorsing local governments are actively pursuing collegiate tournaments and championships for major sports which, if successful, are expected to agree to multiple year commitments. This bill will authorize the agency to utilize the Major Events Incentive Program Subfund for these activities. The fiscal year impact will depend upon the timeline of the cooperative endeavor agreement, the magnitude of the impact estimates and the direction of the JLCB in the timing of the transfer the funds.

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer