

SECOND REGULAR SESSION

SENATE BILL NO. 840

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHMITT.

Read 1st time January 27, 2010, and ordered printed.

TERRY L. SPIELER, Secretary.

4717S.02I

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to tax incentives to attract sporting events to Missouri.

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

Section A. Chapter 620, RSMo, is amended by adding thereto one new
2 section, to be known as section 620.1600, to read as follows:

620.1600. 1. As used in this section, the following terms mean:

2 (1) "Applicant", one or more certified sponsor, endorsing
3 municipality, endorsing county, or local organizing committee acting
4 individually or collectively;

5 (2) "Certified sponsor", a sports commission which is an active
6 member of the National Association of Sports Commissions or a
7 convention and visitors bureau which is an active member of the
8 Missouri Association of Convention and Visitors Bureau;

9 (3) "Department", the department of economic development;

10 (4) "Endorsing county", a county that contains a site selected by
11 a site selection organization for one or more games;

12 (5) "Endorsing municipality", a municipality that contains a site
13 selected by a site selection organization for one or more games;

14 (6) "Game support contract", an event award notification, joinder
15 undertaking, joinder agreement, or contract executed by an applicant
16 and a site selection organization;

17 (7) "Game", a National Collegiate Athletic Association (NCAA)
18 national championship, including the Final Four, Frozen Four,
19 Wrestling Championships, and other men's and women's national
20 championship events; NCAA postseason basketball regional and first
21 and second rounds; NCAA football bowl game; NCAA college football

22 game played at a neutral site; a collegiate athletic conference
23 championship or tournament; a national championship of an amateur
24 sport sanctioned by the national governing body of a sport recognized
25 by the United States Olympic Committee (USOC); an Olympic Trials or
26 other Olympic competition; United States Golf Association (USGA)
27 amateur event; Davis Cup tennis match; World Cup soccer match;
28 Amateur Athletic Union (AAU) or other major national youth sports
29 championship; or other major amateur sporting events approved by the
30 department that generate new incremental tax revenue for the state of
31 Missouri. "Game" includes any events and activities related to or
32 associated with a game;

33 (8) "Joinder agreement", an agreement entered into by one or
34 more applicants, acting individually or collectively, and a site selection
35 organization setting out representations and assurances by each
36 applicant in connection with the selection of a site in this state for the
37 location of a game or games;

38 (9) "Joinder undertaking", an agreement entered into by one or
39 more applicants, acting individually or collectively, and a site selection
40 organization that each applicant will execute a joinder agreement in
41 the event that the site selection organization selects a site in this state
42 for a game;

43 (10) "Local organizing committee", a nonprofit corporation or its
44 successor in interest that:

45 (a) Has been authorized by one or more certified sponsor,
46 endorsing municipality, or endorsing county, acting individually or
47 collectively to pursue an application and bid on its or the applicant's
48 behalf to a site selection organization for selection as the site of one or
49 more games; or

50 (b) With the authorization of one or more certified sponsor,
51 endorsing municipality, or endorsing county, acting individually or
52 collectively, executes an agreement with a site selection organization
53 regarding a bid to host one or more games;

54 (11) "Site selection organization", the National Collegiate Athletic
55 Association (NCAA); an NCAA member conference, university, or
56 institution; the United States Olympic Committee (USOC); a national
57 governing body (NGB) or international federation of a sport recognized
58 by the USOC; the United States Golf Association (USGA); United States

59 Tennis Association (USTA); Amateur Athletic Union (AAU); or other
60 major national and international amateur sports associations, leagues,
61 and organizations that promote, organize, or administer sporting
62 games, competitions, or events;

63 (12) "Tax credits", tax credits issued by the department to offset
64 the state income taxes imposed by chapters 143 and 148, or which may
65 be sold or refunded as provided for in this program.

66 2. An applicant may submit a copy of a game support contract to
67 the department. Within sixty days of receipt of the game support
68 contract, the department shall certify that the applicant's game support
69 contract is in accordance with the requirements of this section. Upon
70 certification of the game support contract by the department, the
71 applicant shall be authorized to receive the tax credit pursuant to
72 subsection 4 of this section. In addition, an applicant may request that
73 the department estimate the incremental increase in the receipts from
74 the tax imposed by chapter 144, for general revenue purposes only,
75 determined in the manner set forth in subsection 3 of this section, that
76 is directly attributable to the preparation for and conduct of the game
77 and related events. The applicant may submit the department's
78 estimate to a site selection organization.

79 3. In making the determinations of the estimated or actual
80 incremental increase in tax receipts provided for in this section, the
81 department, in consultation with the director of revenue, shall
82 determine the geographic boundaries of the market area for the game
83 and the time period for which there is likely to be an economic impact
84 attributable to the game. The market area shall be the geographic area
85 in which there is a reasonable likelihood of a measurable economic
86 impact directly attributable to the preparation for and conduct of the
87 game and related events, including areas likely to provide venues,
88 accommodations, and services in connection with the game based on
89 the game support contract entered into by the applicant and the site
90 selection organization. An endorsing municipality or endorsing county
91 that has been selected as the site for a game must be included in the
92 market area for the game. The time period shall be the two-week
93 period that ends at the end of the day after the date on which a game
94 will be held or such longer period as determined by the department.

95 4. No later than sixty days following the conclusion of the game

96 or games, the department, in consultation with the director of revenue,
97 shall determine the amount of the incremental increase in tax revenues
98 which are directly attributable to the game or related events,
99 determined in the manner set forth in subsection 3 of this section. For
100 purposes of this section, the incremental increase in tax revenues in
101 the market area of the game shall be calculated from the tax imposed
102 by chapter 144 for general revenue purposes only. No later than sixty
103 days following the receipt of eligible costs and documentation of the
104 costs from the applicant as required in subsection 5 of this section, the
105 department shall issue a refundable tax credit to the applicant for the
106 lesser of one hundred percent of eligible costs incurred by the
107 applicant or fifty percent of the incremental increase in tax revenues
108 within the market area directly attributable to the game.

109 5. No more than thirty days following the conclusion of the game
110 or games, the applicant shall submit eligible costs and documentation
111 of the costs evidenced by receipts, paid invoices, or other
112 documentation in a manner prescribed by the department. For
113 purposes of this section, eligible costs shall include:

- 114 (1) Costs necessary for conducting the game or games;
- 115 (2) Costs relating to the preparations necessary for the conduct
116 of the game or games; and
- 117 (3) An applicant's pledged obligations to the site selection
118 organization as evidenced by the game support contract.

119 Eligible costs shall not include any costs associated with the
120 rehabilitation, acquisition, or construction of any facilities used to host
121 the game, but may include costs associated with the retrofitting of a
122 facility necessary to accommodate the game. The department shall
123 determine whether eligible costs submitted by the applicant are
124 reasonable and necessary for the preparation and conduct of the game.

125 6. In no event shall the amount of tax credits issued by the
126 department pursuant to this section exceed ten million dollars in any
127 fiscal year.

128 7. Tax credits authorized by this section may be claimed against
129 taxes imposed by chapters 143 and 148, and may not be carried forward
130 but shall be claimed within one year of the close of the taxable year for
131 which they were issued.

132 8. Tax credits authorized by this section may be transferred,

133 sold, or assigned by filing a notarized endorsement thereof with the
134 department that names the transferee, the amount of tax credit
135 transferred, and the value received for the credit, as well as any other
136 information reasonably requested by the department.

137 **9. The department shall only certify applicants' game support**
138 **contracts for a game or games where the site selection organization has**
139 **yet to select a location for a game or games as of August 28, 2010.**

140 **10. An applicant shall provide any information necessary as**
141 **determined by the department for the department and director of**
142 **revenue to fulfill the duties required by this section.**

143 **11. This section shall not be construed as creating or requiring**
144 **a state guarantee of obligations imposed on an endorsing municipality**
145 **or endorsing county under a game support contract or any other**
146 **agreement relating to hosting one or more games in this state.**

147 **12. Game support contracts shall not be certified by the**
148 **department after six years following August 28, 2010, provided that**
149 **game support contracts may be certified within this six year period for**
150 **games that will be held more than six years following August 28, 2010.**

151 **13. The department may adopt such rules, statements of policy,**
152 **procedures, forms, and guidelines as may be necessary to carry out the**
153 **provisions of this section. Any rule or portion of a rule, as that term is**
154 **defined in section 536.010 that is created under the authority delegated**
155 **in this section shall become effective only if it complies with and is**
156 **subject to all of the provisions of chapter 536, and, if applicable, section**
157 **536.028. This section and chapter 536 are nonseverable and if any of**
158 **the powers vested with the general assembly pursuant to chapter 536,**
159 **to review, to delay the effective date, or to disapprove and annul a rule**
160 **are subsequently held unconstitutional, then the grant of rulemaking**
161 **authority and any rule proposed or adopted after August 28, 2010, shall**
162 **be invalid and void.**

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