

2022 Regular Session

HOUSE BILL NO. 1015

BY REPRESENTATIVE SCHEXNAYDER

ECONOMIC DEVELOPMENT: Provides relative to financial incentives for events held in Louisiana

1 AN ACT

2 To amend and reenact R.S. 51:2365(D)(3) and (F)(2), to enact R.S. 51:1260 and 1261, and
3 to repeal R.S. 51:2365(F)(1)(d) and 2365.1, relative to financial incentives for events
4 held in Louisiana; to provide relative to the Major Events Incentive Program; to
5 make changes to the administration of the program; to create a grant program for
6 certain Louisiana events; to provide for administration of the program; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 51:2365(D)(3) and (F)(2) are hereby amended and reenacted and
10 R.S. 51:1260 and 1261 are hereby enacted to read as follows:

11 §1260. Major Events Incentive Fund; Major Events Incentive Program

12 A.(1) There is hereby created in the state treasury, as a special fund, the
13 Major Events Incentive Fund, hereinafter referred to in this Section as the "fund".

14 (2) The source of monies deposited into the fund shall be any monies
15 appropriated by the legislature, including federal funds, any public or private
16 donations, gifts, or grants from individuals, corporations, nonprofit organizations,
17 or other business entities which may be made to the fund, and any other monies
18 which may be provided by law. In determining the amount of the annual
19 appropriation to the fund, the legislature shall consider contracts which have been

1 entered into pursuant to this Section as well as any recruitment efforts being made
2 by local organizing committees for qualified major events.

3 (3) Monies in the fund shall be invested in the same manner as monies in the
4 state general fund and any interest earned on the investment of monies in the fund
5 shall be credited to the fund. All unexpended and unencumbered monies in the fund
6 at the end of the fiscal year shall remain in the fund.

7 (4) Monies in the fund shall be used solely for attracting, hosting, and
8 staging major events pursuant to the Major Events Incentive Program as provided in
9 this Section.

10 B. There is hereby created the Major Events Incentive Program, hereinafter
11 referred to in this Section as the "program", to be administered by the office of
12 lieutenant governor, through the Department of Culture, Recreation and Tourism, in
13 consultation with the Department of Economic Development. The program shall
14 provide grant funding to local organizing committees, endorsing municipalities, and
15 endorsing parishes for costs associated with attracting and hosting qualified major
16 events as provided in this Section.

17 C. As used in this Section, the following terms shall have the following
18 meanings:

19 (1) "Endorsing municipality" means either of the following:

20 (a) A municipality that contains a site selected by a site selection
21 organization for a major event and is a party to an event support contract.

22 (b) A municipality that does not contain a site selected by a site selection
23 organization for a qualified major event, but is included in the market area for the
24 event as designated by the secretary and is a party to an event support contract.

25 (2) "Endorsing parish" means either of the following:

26 (a) A parish that contains a site selected by a site selection organization for
27 a qualified major event and is a party to an event support contract.

1 (b) A parish that does not contain a site selected by a site selection
2 organization for a qualified major event, but is included in the market area for the
3 event as designated by the secretary and is a party to an event support contract.

4 (3) "Event support contract" or "event contract" means a joint undertaking,
5 a joint agreement, or a similar contract executed by a local organizing committee, an
6 endorsing municipality, or an endorsing parish, or any combination thereof, and a
7 site selection organization.

8 (4) "Local organizing committee" means an organization created or
9 recognized as the official host entity sanctioned by an endorsing municipality or
10 parish for a specified qualified major event.

11 (5) "Qualified major event" means a National Football League Super Bowl,
12 a National Collegiate Athletic Association Final Four tournament game, the National
13 Basketball Association All-Star Game, the X Games, a National Collegiate Athletic
14 Association Division I Football Bowl Subdivision postseason game, a college
15 tournament or championship, the World Games, a national collegiate championship
16 of an amateur sport sanctioned by the national governing body of the sport that is
17 recognized by the United States Olympic Committee, an Olympic activity including
18 a Junior or Senior activity, training program, or feeder program sanctioned by the
19 United States Olympic Committee's Community Olympic Development Program,
20 a mixed martial arts championship, the Breeders' Cup World Championships, a
21 Bassmasters Classic, a National Motorsports race, the Red Bull Signature Series, a
22 National Collegiate Athletic Association football kickoff game, a national
23 championship or Olympic trials of an amateur or professional sport sanctioned by
24 the national governing body of the sport, the United States Bowling Congress
25 Tournament, the WWE WrestleMania, the Bayou Classic, the Essence Festival, the
26 Zurich Classic, a national military event, a national political convention of the
27 Republican National Committee or of the Democratic National Committee, or any
28 National Collegiate Athletic Association conference, convention, or conference

1 media event, including conference media days. The term includes any activities
2 related to or associated with a qualified major event.

3 (6) "Site selection organization" means any of the following:

4 (a) The National Football League, the National Collegiate Athletic
5 Association or any affiliated conference, the National Basketball Association, the
6 International World Games Association, or the United States Olympic Committee.

7 (b) The national governing body of a sport that is recognized by the United
8 States Olympic Committee.

9 (c) The National Thoroughbred Racing Association.

10 (d) The Republican National Committee or Democratic National Committee.

11 (e) The United States Bowling Congress.

12 (f) The national governing body of an organization, not listed in
13 Subparagraphs (a) through (e) of this Paragraph, that schedules a qualifying event
14 as defined in Subparagraph (5) of this Paragraph.

15 D. An endorsing municipality, endorsing parish, or local organizing
16 committee shall be eligible to receive funding through the program only if:

17 (1) The event is included in the definition of qualified major event.

18 (2) A site selection organization selects a site in Louisiana under either of
19 the following circumstances:

20 (a) After considering through a highly competitive selection process holding
21 the event at one or more sites not located in Louisiana.

22 (b) As the sole site for the event or the sole site for the event in a region
23 composed of Louisiana and one or more states.

24 (3) The event is not held more than one time per year in Louisiana or any
25 other state.

26 E.(1) The lieutenant governor, through the Department of Culture,
27 Recreation and Tourism, is hereby authorized to enter into a contract with a local
28 organizing committee, endorsing parish, or endorsing municipality to recruit, solicit,
29 or acquire for Louisiana any qualified major event that will have a significant

1 positive impact in the state. The contract shall provide for a financial commitment
2 to the local organizing committee, endorsing parish, or endorsing municipality.

3 (2) Prior to entering into any contract pursuant to Paragraph (1) of this
4 Subsection, the lieutenant governor shall direct the Department of Economic
5 Development to prepare a written evaluation of the anticipated economic impact
6 within the designated area attributable the occurrence of the qualified major event
7 and certify that an award of the grant is in the best interest of the state.

8 F.(1) Any grants received by an endorsing municipality, endorsing parish,
9 or local organizing committee may be used for either of the following:

10 (a) To pay or reimburse the costs of applying or bidding for selection as the
11 site of the event.

12 (b) To pay or reimburse the costs of planning for or conducting the event.

13 (2)(a) For any grant award under three million dollars, the lieutenant
14 governor shall submit the evaluation provided for in Paragraph (E)(2) of this Section
15 to the Joint Legislative Committee on the Budget no later than thirty days after
16 entering into a contract.

17 (b) For any grant request exceeding three million dollars, the lieutenant
18 governor shall submit the evaluation provided for in Paragraph (E)(2) of this Section
19 to the Joint Legislative Committee on the Budget and receive approval from the
20 committee prior to entering into a contract.

21 G. Within sixty days after the event, the Department of Economic
22 Development shall determine the amount of the incremental increase in state sales
23 and use and excise tax receipts generated within the designated area by the
24 occurrence of the qualified major event. The department shall report the incremental
25 increase to the lieutenant governor and the Joint Legislative Committee on the
26 Budget. The Joint Legislative Committee on the Budget shall determine the portion
27 of the incremental tax increase which shall be transferred into the fund. Upon
28 approval of the Joint Legislative Committee on the Budget, the treasurer shall
29 transfer the amount determined by the committee into the fund.

1 §1261. Events Incentive Fund

2 A.(1) There is hereby created in the state treasury, as a special fund, the
3 Events Incentive Fund, hereinafter referred to in this Section as the "fund".

4 (2) The source of monies deposited into the fund shall be any monies
5 appropriated by the legislature, including federal funds, any public or private
6 donations, gifts, or grants from individuals, corporations, nonprofit organizations,
7 or other business entities which may be made to the fund, and any other monies
8 which may be provided by law.

9 (3) Monies in the fund shall be invested in the same manner as monies in the
10 state general fund and any interest earned on the investment of monies in the fund
11 shall be credited to the fund. All unexpended and unencumbered monies in the fund
12 at the end of the fiscal year shall remain in the fund.

13 (4) Monies in the fund shall be used solely for planning, marketing, and
14 conducting events pursuant to the Events Incentive Program as provided in this
15 Section.

16 B. There is hereby created the Events Incentive Program, hereinafter referred
17 to in this Section as the "program", to be administered by the lieutenant governor,
18 through the Department of Culture, Recreation and Tourism, in consultation with the
19 Department of Economic Development. The program shall provide grant funding
20 to municipalities and parishes for costs associated with planning, marketing, and
21 conducting events held in Louisiana. For purposes of this Section, "event" shall
22 mean an event of area-wide, statewide, regional, national, or international
23 prominence.

24 C. A municipality or parish shall be eligible to receive up to twenty-five
25 percent of the total cost incurred by the municipality or parish for the event, not to
26 exceed two hundred fifty thousand dollars per grant.

27 D. Any event that meets the definition of "qualified major event" pursuant
28 to R.S. 51:1260 shall not be eligible for funding pursuant to this Section.

"event support contract", "local organizing committee", "qualified major event", and "site selection organization".

Proposed law retains present law.

Present law requires the Dept. of Economic Development (LED) to administer the program.

Proposed law moves administration of the program to the lieutenant governor, through the Dept. of Culture, Recreation and Tourism, in consultation with LED.

Proposed law allows grants to be used to pay or reimburse the endorsing parish, endorsing municipality, or local organizing committee for the cost of applying or bidding for selection as the site of the event and for the costs of planning for or conducting the event.

Present law requires approval of the commissioner of administration and the Joint Legislative Committee on the Budget (JLCB) prior to the execution of any contract with a local organizing committee, endorsing parish, or endorsing municipality for a qualified major event.

Proposed law requires LED to prepare a written evaluation of the anticipated economic impact within the designated area by the occurrence of the qualified major event and certify that an award of the grant is in the best interest of the state prior to the lieutenant governor entering into any contract for a qualified major event.

Proposed law allows the lieutenant governor to award grants under \$3 million without JLCB approval but requires the lieutenant governor to submit the evaluation to JLCB no later than 30 days after entering into a contract.

Proposed law requires JLCB approval prior to entering into a contract over \$3 million.

Proposed law requires LED to determine, after the event, the amount of the incremental increase in state sales and use and excise tax receipts attributed to the event and to report the increase to JLCB.

Proposed law further requires JLCB to approve a portion of the increase to be transferred into the fund and requires the treasurer to transfer the funds upon approval of JLCB.

Present law creates the Major Events Incentive Program Subfund as a subfund of the Louisiana Mega-Project Development Fund.

Proposed law changes the subfund to a separate fund of the state treasury and renames it the Major Events Incentives Fund.

Proposed law creates the Events Incentive Program to provide grant funding to municipalities and parishes for costs associated with planning, marketing, and conducting events of area-wide, statewide, regional, national, or international prominence.

Proposed law requires the lieutenant governor, through the Dept. of Culture, Recreation and Tourism, to administer the program in consultation with LED.

Proposed law limits each grant to 25% of the total cost incurred by the municipality or parish for the event, not to exceed \$250,000 per event.

(Amends R.S. 51:2365(D)(3) and (F)(2); Adds R.S. 51:1260 and 1261; Repeals R.S. 51:2365(F)(1)(d) and 2365.1)