

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0755S.04P
Bill No.: Perfected SS for SCS for SB 80
Subject: Athletics; Counties; Education, Elementary and Secondary; Department of
Elementary and Secondary Education; Entertainment, Sports and Amusements;
Political Subdivisions; Tax Credits
Type: Original
Date: April 9, 2025

Bill Summary: This proposal creates and modifies provisions relating to sports.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 or Up to (\$13,000,000)	\$0 or Up to (\$16,000,000)	\$0 or Could exceed (\$16,989,025)
Total Estimated Net Effect on General Revenue	\$0 or Up to (\$13,000,000)	\$0 or Up to (\$16,000,000)	\$0 or Could exceed (\$16,989,025)

*Potential State appropriations for a Sports Complex in Clay County starting in FY27.

*Oversight notes the total amount of new state revenues that may be appropriated in any given year cannot exceed \$10 million, and no single project can receive an annual appropriation in excess of \$5 million.

*Oversight reflects the potential increase in tax credits for Section 67.3000 (changes in subsection 5 raises the annual limit from \$3 million to \$6 million). Additionally, Oversight reflects the changes stemming from the extension of the sunset in FY 2028 using the average redemption costs in addition to \$3 million increase in Section 67.3000. Lastly, Oversight notes the maximum cap for both Section(s) will be \$11 million annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Missouri Regional Sports Facility Supplemental Tax Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Oversight assumes the fund will net to zero.
 Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- ☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0 or Up to \$10,000,000	\$0 or Up to \$13,000,000	\$0 or Up to \$13,000,000

*Oversight reflects a potential transfer from the Missouri Regional Sports Facility Supplemental Tax Fund.

FISCAL ANALYSIS

ASSUMPTION

§67.646 – Sports Complex Authorities

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section creates a new "Clay County Sports Complex Authority" (CCSCA) in Clay County, MO. The language used to create this bill is based on similar language in cross-referenced sections that created the "Jackson County Sports Complex Authority" in sections 64.920 to 64.950, RSMo, and falls under the authority that created the "Convention and Sports Complex Fund" (CSCF) in sections 67.638 to 67.645. It allows the General Assembly (GA) to appropriate \$3M GR into the CSCF to be utilized by the new authority, but only after Clay County has created the CCSCA and the authority has entered into a contract or lease with a professional sports team affiliated with the NFL, NBA, NHL, or AL or NL of the MLB on or after January 1, 2026. Additionally, no funds shall be expended from the CSCF until the county has matched 100% of the GR appropriation to the fund. Matching funds from the county may be from any source.

Therefore, the fiscal impact to GR is up to \$3M, and the fiscal impact to Clay County may be \$3M.

In response to similar legislation, SB 713 (2025), officials from the **Office of Administration (OA)** stated per §67.646, RSMo, the general assembly may annually appropriate up to \$3,000,000 from the state general revenue fund to the convention and sports complex fund. The fiscal impact would be \$0-\$3,000,000.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the OA. Oversight notes from §67.646.3(2) that the funds may be appropriated annually provided that the county or authority has entered into a contract or lease on or after January 1, 2026. Oversight will assume this appropriation may be in the budget starting in FY27. Therefore, Oversight will reflect a transfer out of \$0 (no appropriations) or up to \$3 million starting in FY27.

Oversight also notes that in subsection 3(4), the money would not be appropriated by the state until the county contributes into their Convention and Sports Complex Fund the sum of \$3 million per calendar year. B&P notes that the appropriation may be up to \$3 million from the state's GR and may be \$3 million from Clay County. It is possible that the state's GR appropriation could be less than the \$3 million and Clay County would still need to contribute \$3 million should the CCSCA go forward. Therefore, for fiscal note purposes, Oversight will reflect a \$0 or \$3 million dollars into County Convention and Sports Complex Fund.

Officials from the **Department of Revenue (DOR)** assumed this proposal would allow Clay County to create a County Sports Complex Authority. This proposal would allow the General Assembly to appropriate general revenue up to \$3 million annually for the Clay County Sports Complex Authority. The \$3 million appropriation can continue for up to 40 years.

This is no impact on DOR as the General Assembly would make the appropriation and the State Treasurer would do the transfer of the funds.

Officials from the **Office of the Governor** assume this bill adds to the Governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the Office of the Governor. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

In response to similar legislation, SB 713 (2025), officials from the **Department of Economic Development, Kansas City**, and the **Office of the State Auditor** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§67.1157 – Sports Authority – Project Acquisitions

Officials from the **Office of Administration – Budget & Planning (B&P)** assume the Section 67.1157 is added that allows a convention and sports facility authority by resolution designate a project area for a project for the purpose of acquiring, constructing, equipping, operating, maintaining, repairing, extending, and improving of a regional sports facility. A regional sports facility owned or operated by an authority is intended to provide year-round sports opportunities and draw participants from outside of the state.

The proposed new section receives its authority from and is cross-referenced in section 67.1150 which gives the demographic data of “in any county with a population of as least two-hundred thousand inhabitants which adjoins a county with a population of nine-hundred thousand or more inhabitants” for the county this program applies. This section went into effect in 1997 and applied exclusively to St. Charles County with the caveat that since St. Louis City does function as a “county equivalent” in many governmental programs and data reporting and collecting systems, it could be argued it applied to St. Louis City as well.

The demographic data referenced in section 67.1150 could now apply to St. Charles and Jefferson Counties whose 2020 US Census populations are 405,262 and 226,739 respectively. The St. Louis City caveat mentioned above could still apply to them since its 2020 US Census population is 301,578.

Project areas designated by the authority shall be eligible to receive fifty percent of the incremental increase in state general revenue sales taxes generated by activity located within the

project area. A project area shall not be eligible for such new state revenues unless the authority imposes the maximum transient guest tax rate allowable by current law. The Director of the Department of Economic Development and the Commissioner of the Office of Administration or their designees shall jointly evaluate applications for new state revenues, and such revenues shall not be distributed until certain conditions are met, as described in the proposed new section.

The total amount of new state revenues that may be appropriated pursuant to the act in any given year capped at \$10 million, with single projects being capped at \$5 million. Therefore, the fiscal impact of this program is up to \$10M GR beginning in FY 2026.

Officials from the **Department of Revenue (DOR)** assumed this proposal would allow the General Assembly to appropriate up to \$10 million to regional sports authorities. No authority can receive more than \$5 million annually. In order to qualify for this funding, the regional sports authority must have imposed a transient guest tax at the maximum rate allowed per Section 67.1158. The authority must apply to DED for the funding.

This proposal says the amount the General Assembly can appropriate is to be based on the increased amount of sales tax revenue that can be collected from the authority. This proposal does not change how sales tax is deposited, so this will not fiscally impact DOR. DOR will still collect sales tax and deposit it into the required funds. The General Assembly would be responsible for any calculations under this proposal.

In response to similar legislation, HB 1229 (2025), officials from the **Department of Economic Development (DED)** assumed §67.1157.6 (3) states that at no time shall the annual amount of new state revenues approved for disbursements from the Missouri regional sports facility supplemental tax fund for approved projects exceed ten million dollars, therefore reducing TSR by up to \$10 million annually.

Oversight notes that §§67.1157 2 denotes that if properly designated as an eligible business project by DED and the incremental sales tax increase occur, the general assembly may appropriate up to 50% of the new revenue funds into the Missouri Regional Sports Facility Supplemental Tax Fund.

Therefore, **Oversight** will reflect range of zero (the designated sports authority did not meet the qualification criteria of the funding and general assembly did not appropriate the funds) to up to \$10 million maximum cap (the designated sports authority meets the qualification criterion of the funding and general assembly appropriated the funds) to be transferred from the general revenue fund into the Missouri Regional Sports Facility Supplemental Tax Fund from the general revenue fund.

Oversight notes the sales tax collections for St. Charles County for TY 2022 and TY 2023 below. (Source: Budgets and Reports – [2023 Annual Comprehensive Financial Report](#), p. 19).

Tax Type	2022	2023
Sales Tax	\$149,284,684	\$140,863,806

Oversight notes that this would represent a 6% year to year increase in sales tax collection.

Oversight notes that §§67.1157 4. denotes that the new “revenues shall not be distributed from the Missouri regional sports facility supplemental tax fund to an authority unless the county which has established the authority has imposed a tax at the maximum rate provided by §67.1158”.

Oversight notes that any such increase must be submitted and approved by the vote of the people as promulgated in §67.1158 2.

Lastly, **Oversight** will note that §§67.1157 5. denotes the DED and OA may waive the requirement that the authority's application be submitted prior to the project's adoption or approved by resolution. Therefore, Oversight, for purpose of this fiscal note, will assume the actual approval was given upon passage of the proposal and the disbursement could potentially begin as soon as FY 2026.

In response to similar legislation, HB 1229 (2025), officials from the **City of Kansas City** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

67.3000- Tax Credit for Sporting Events - Tickets

Officials from the **Department of Revenue (DOR)** note:

This section is modifying the Sporting Events tax credit program that awards tax credits based on tickets sold to an event. The current program awards a credit of \$5 per ticket sold or \$10 per registered participant. The credit is refundable and administered by the Department of Economic Development (DED). No more than \$2.7 million of the current \$3 million cap is available for events held in St. Louis or Kansas City.

For informational purposes, DOR is providing the authorizations, issuances and redemptions since it was created in 2013.

Year	Authorized	Issued	Total Redeemed
FY 2024	\$1,420,800.00	\$2,169,547.16	\$1,420,037.00
FY 2023	\$446,618.79	\$369,986.65	\$1,011,839.85
FY 2022	\$886,980.00	\$1,599,747.12	\$886,462.00
FY 2021	\$7,799,425.00	\$404,970.00	\$128,770.00
FY 2020	\$1,185,000.00	\$1,132,640.00	\$1,391,995.00
FY 2019	\$1,265,000.00	\$293,810.00	\$1,420,500.00
FY 2018	\$1,335,000.00	\$1,584,090.00	\$1,276,180.00
FY 2017	\$5,296,200.00	\$2,175,700.00	\$1,316,815.00
FY 2016	\$942,800.00	\$7,800.00	\$564,723.30
FY 2015	\$728,708.00	\$585,735.00	\$38,610.00

This proposal is increasing the amount of the credit from \$5 per ticket sold to \$6 per ticket sold. It is also increasing the credit from \$10 for every person registered to \$12 per person. This proposal is also increasing the cap on the program from \$3 million to \$6 million and increasing the amount that Kansas City and St. Louis can receive from \$2.7 million of the cap to \$5.5 million of the cap. The increase in the cap to \$6 million will result in an additional loss to the general revenue of \$3 million annually.

Currently, this tax credit is a refundable credit. Applicants for the credit must submit an application with DED to be approved for the credits. This proposal adds language requiring DOR to issue those refunds within 90 days of the applicant's submission of a valid tax credit certificate. This proposal implies that an applicant for the tax credit will not have to file a tax return but just submit their tax certificate and DOR should refund the credit.

Officials from the **Office of Administration – Budget & Planning (B&P)** note:

Section 67.3000 - This is a current program that is due to sunset on August 28, 2025 and has a cap of \$3,000,000. This proposal will increase the cap to \$6,000,000, so the TSR impact is a negative \$3M. This proposal states that a refundable tax credit is issued to the applicant for either \$6 for every admission ticket sold to such event or \$12 for every registered participant if such event was participated-based. The current program is the least of: One hundred percent of eligible costs incurred by the applicant; an amount equal to \$5 for every admission ticket sold to such event; or an amount equal to \$10 for every paid participant registration if such event was participant-based and did not sell admission tickets. Removing the cost reimbursement for the ticket sales credit may change the current utilization rates of the program.

Additionally, it requires any participant of the program who has been awarded a refund and the Department of Revenue determines the participant still owed taxes that were not paid in the year the tax credit was applied shall repay the tax credit paid to the participant.

This legislation will extend the sunset in 67.3000 RSMo from August 28, 2025 to August 28, 2032.

In response to similar legislation, SB 184 (2025), officials from the **Department of Economic Development (DED)** noted the Amateur Sports Ticket Sales Tax Credit program is due to sunset on August 28, 2025, and the cap is \$3,000,000. This legislation extends the program and increases the cap to \$6,000,000. The legislation states that the department shall issue a refundable tax credit to the applicant for either \$6 for every admission ticket sold to such event or \$12 for every registered participant if such event was participant-based. The current program is the least of 100% of eligible costs incurred by the applicant; an amount equal to \$5 for every admission ticket sold to such event; or an amount equal to \$10 for every paid participant registration if such event was participant-based and did not sell admission tickets.

Oversight notes due to the high authorization in the tax credits, under this Section in FY 2017 and 2021, and anticipation of various Missouri sporting events in the future (i.e. Kansas City Chiefs repeated Super Bowl appearances, Kansas City hosting the Soccer World Cup in 2026, etc.) it is reasonable to expect tax credit issuances up to the maximum cap of \$6 million annually.

Oversight notes the proposal, subsection 5 of section 67.3000 allows for an increase to the current cap of \$3 million to up to \$6 million annually beginning effective August 28, 2025 (FY 2026). Therefore, Oversight will note an impact of up to \$3 million dollars in additional tax credits, beginning FY 2026, in the fiscal note.

Oversight notes that the average redemption costs from 2020 to 2024 was \$967,815.

Oversight notes that this section sunsets in FY 2027; however, subsection 67.3005.5 allows the program to continue for another 6 years after August 28, 2025. Therefore, for purpose of this fiscal note, **Oversight** will show the average redemption totals from 2020 to 2024 (\$967,815) as a continuance of the costs of this program in addition to the \$3 million maximum cap, as an ongoing cost in FY 2028 and thereafter.

Section 67.3005 - Sporting Event Prepay Tax Credit Program

DOR notes this section modifies provision of the Amateur Sporting Events Prepay tax credit program. The Prepay tax credit program gives a tax credit to donors who help sponsor these types of events. The current credit is equal to 50% of the donation collected. The current program does not allow this credit to be refunded and it has a \$10 million annual cap.

For informational purposes, DOR is providing the issuances and redemptions since the program was created in 2013.

Year	Authorized	Issued	Total Redeemed
FY 2023	\$31,060.00	\$0.00	\$15,000
FY 2022	\$21,700.00	\$0.00	\$22,500
FY 2021	\$25,000.00	\$50,000.00	\$27,500
FY 2020	\$25,000.00	\$0.00	\$22,500
FY 2019	\$28,549.22	\$28,549.22	\$18,549
FY 2018	\$22,500.00	\$22,500.00	\$20,000
FY 2017	\$18,750.00	\$39,250.00	\$12,500
FY 2016	\$23,000.00	\$39,250.00	\$0
FY 2015	\$14,000.00	\$14,000.00	\$0
FY 2014	\$0.00	\$0.00	\$0
FY 2013	\$0.00	\$0.00	\$0
FY 2012	\$0.00	\$0.00	\$0
TOTALS	\$209,559.22	\$193,549.22	\$138,549

This proposal lowers the cap on the program from \$10 million to \$500,000 annually. It also extends the sunset date on the program from 2019 to six years after 2025. This credit is expected to result in a savings to the state and general revenue of \$9.5 million annually.

This proposal will result in DOR needing to modify our MO-TC form (\$2,200), computer programs (\$1,832) and website. These changes are estimated to cost \$4,032.

Officials from the **Office of Administration – Budget & Planning (B&P)** note:

67.3005 - Contribution tax credit will be decreasing the current cap from \$10,000,000 down to \$500,000, saving TSR \$9,500,000.

In response to similar legislation, SB 184 (2025), officials from the **Department of Economic Development** noted the Amateur Sports Contribution Tax Credit program is due to sunset on August 28, 2025, and the cap is \$10,000,000. This legislation extends the program and decreases the current cap from \$10,000,000 to \$500,000.

Oversight notes the proposal, subsection 3 of section 67.3005, allows for a decrease in the current cap of \$10 million to up to no more than \$500,000 annually beginning August 28, 2025 (FY 2026).

Oversight notes in recent years the data shows that on average there was \$26,262 in Authorizations, \$15,710 in Issuances, and \$21,210 in Redemptions respectively. Therefore,

Oversight will not reflect any potential savings, as the current data trends show it will not reach the estimated \$500,000 amount.

Oversight notes that this section sunsets in FY 2027; however, this proposal allows the program to continue for 6 years after August 28, 2025. Therefore, **Oversight**, for purpose of this fiscal note, will reflect the average redemption totals from 2019 to 2023 in the amount of \$21,210, as a continuance cost of this program in FY 2028 and annually thereafter.

Officials from the **Oversight Division** state they are responsible for providing a Sunset Report pursuant to Section 23.253 RSMo; however, Oversight will be able to absorb the cost with the current budget authority.

In response to similar legislation, SB 184 (2025), officials from the **Department of Economic Development (DED)** stated this legislation will extend 67.3000 RSMo that is due to sunset in August 28, 2025. The current cap is \$3,000,000 and this fiscal note increases the cap to \$6,000,000. Additionally, this legislation decreases the current cap in 67.3005 RSMo from \$10,000,000 to \$500,000. The overall effect is a savings of \$6,500,000 to TSR.

In response to similar legislation, SB 184 (2025), officials from the **Department of Commerce and Insurance (DCI)** noted:

A potential unknown decrease of premium tax revenues (up to the tax credit limits established in the bill) in FY2026, FY2027, and FY2028 as a result of modifications to tax credits for certain sporting events. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the modified tax credit.

Oversight notes, for purposes of this fiscal note, the fiscal note does not reflect the possibility that some of the tax credits could be utilized against insurance premium taxes. If this occurs, the loss in tax revenue would be split between the General Revenue Fund and the County Foreign Insurance Fund, which ultimately goes to local school districts.

§167.750 – Highschool athlete name, image likeness (NIL) stipulations

Officials from the **Department of Elementary and Secondary Education** and **Department of Higher Education and Workforce Development** both assume the proposal will have no fiscal impact on their organizations.

In response to a previous version, officials from the **University of Missouri** and **Northwest Missouri State University** both assume the proposal will have no fiscal impact on their organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Responses regarding the proposed legislation as a whole

Officials from the **Office of Administration**, **Office of the State Treasurer**, **Office of the State Auditor**, **Missouri House of Representatives**, and **Missouri Senate** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **City of Tipton** and the **City of O'Fallon** both assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from **University of Central Missouri** assume there would be an indeterminate impact on their organization.

Oversight received zero responses from public schools and limited responses from universities and colleges related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. Oversight only reflects the responses received from state agencies and political subdivisions; however, other school districts, colleges and universities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assumed this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** noted many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet

these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Transfer Out</u> – OA §67.646 - Creates a sports complex for Clay County p. 3	\$0	\$0 or (Up to \$3,000,000)	\$0 or (Up to \$3,000,000)
<u>Transfer Out</u> – §67.1157 2 - 50% increase in a new sales tax revenue funds if approved by DED and OA p. 5	\$0 or (Up to \$10,000,000)	\$0 or (Up to \$10,000,000)	\$0 or (Up to \$10,000,000)
<u>Costs</u> – §67.3000 - Tax Credit for Sport Tickets Sold increase p. 7	\$0 or (Up to \$3,000,000)	\$0 or (Up to \$3,000,000)	\$0 or (Up to \$3,000,000)
<u>Costs</u> – §67.3005.5 - - Continuation of §67.3000 with new sunset (currently set to sunset 08/28/2025) p.9	\$0	\$0	Could Exceed (\$967,815)
<u>Costs</u> - §67.3005.5 - Continuation of §67.3005 with new sunset (currently set to sunset 08/28/2025) p.9	<u>\$0</u>	<u>\$0</u>	Could exceed (\$21,210)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (Up to <u>\$13,000,000</u>)	\$0 or (Up to <u>\$16,000,000</u>)	\$0 or Could exceed (\$16,989,025)
MISSOURI REGIONAL SPORTS AUTHORITY SUPPLEMENTAL TAX FUND			
<u>Transfer in</u> – §67.1157.2 – 50% increase in a new sales tax revenue funds if approved by DED and OA p.5	\$0 or Up to \$10,000,000	\$0 or Up to \$10,000,000	\$0 or Up to \$10,000,000
<u>Transfer Out</u> – §67.1157.3 money into the “segregated funds of the Authority” p.5	\$0 or (Up to <u>\$10,000,000</u>)	\$0 or (Up to <u>\$10,000,000</u>)	\$0 or (Up to <u>\$10,000,000</u>)

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
ESTIMATED NET EFFECT ON THE MISSOURI REGIONAL SPORTS AUTHORITY SUPPLEMENTAL TAX FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISION			
<u>Transfer In</u> – to the County Convention and Sports Complex Fund - from OA-General Revenue §67.646 p.3	\$0	\$0 or Up to \$3,000,000	\$0 or Up to \$3,000,000
<u>Transfer In</u> – to the County Convention and Sports Complex Fund - from County Funds, matching funds for sports complex §67.646 p.3	\$0	\$0 or Up to \$3,000,000	\$0 or Up to \$3,000,000
<u>Transfer In</u> - §67.1157.3 50% increase in a new sales tax revenue funds deposited into the “segregated funds of Authority” p.5	\$0 or Up to \$10,000,000	\$0 or Up to \$10,000,000	\$0 or Up to \$10,000,000
<u>Transfer-Out</u> – From Clay County to the County Convention and Sports Complex Fund §67.646 p.3	\$0	\$0 or (Up to \$3,000,000)	\$0 or (Up to \$3,000,000)
ESTIMATED NET EFFECT ON THE POLITICAL SUBDIVISION	<u>\$0 or Up to \$10,000,000</u>	<u>\$0 or Up to \$13,000,000</u>	<u>\$0 or Up to \$13,000,000</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act modifies provisions of current law authorizing a high school athlete to earn or attempt to earn compensation for the use of his or her name, image, likeness rights, or athletic reputation under certain conditions by transferring such provisions to a different section of law.

This bill amends a current tax credit to nonprofit organizations, described as "certified sponsors", that are active members of the Sports Events and Tourism Association. The term "certified sponsor" previously referred to nonprofit organizations that are active members of the National Association of Sports Commissions.

The certified sponsor currently must supply the Department of Economic Development (DED) with eligible costs and documentation of the costs evidenced by receipts, paid invoices, event settlements, or other documentation in a manner prescribed by the Department. Eligible costs may be paid by the applicant or an entity cohosting the event with the applicant, no more than 90 days after the sporting event.

This bill requires the certified sponsor to provide a ticket sales or box office statement verifying the total number of tickets sold for a qualifying sporting event, or, if the event was participant based, a list of all registered participants, no more than 90 days after the sporting event.

After DED receives documentation of the ticket sales or registered participants, it must issue refundable tax credits in the following manner:

- 1) An amount equal to \$6 for every admissions ticket; or
- 2) An amount equal to \$12 for every registered participant.

The Department of Revenue must pay the amount of the refundable tax credit to the applicant within 90 days of the applicant's submission of a valid tax credit certificate. Currently, the amount of tax credits issued by the DED cannot exceed \$3 million in any fiscal year. This bill raises that amount to \$6 million.

Currently, for all events located within Jackson County, St. Louis County, or St. Louis City, the total amount of tax credits issued cannot not exceed \$2.7 million in any fiscal year. This bill raises that amount to \$5.5 million.

Currently, support contracts cannot be certified by DED after August 28, 2025, provided that the support contracts may be certified on or prior to August 28, 2025, for sporting events that will be held after such date. This bill changes that date to August 28, 2031.

Currently, a certified sponsor or local organizing committee can apply for a tax credit that is equivalent to 50% of the amount of an eligible donation. Tax credits for eligible donations cannot exceed \$10 million dollars in any fiscal year. The bill lowers that amount to \$5 million dollars.

Currently, both tax credits will sunset on August 28, 2025. This bill extends that sunset to August 28, 2031

Current law authorizes St. Charles County to establish the St. Charles County Convention and Sports Facilities Authority for the purpose of constructing, operating and maintaining convention, visitor, and sports facilities. This bill authorizes the authority to designate a project area for the acquisition, planning, construction, equipping, operation, maintenance, repair, extension, and improvement of a regional sports facility intended to provide year-round sports opportunities and draw participants from outside of the state.

Project areas designated by the authority will be eligible to receive up to 50% of the incremental increase in state general revenue sales taxes generated by activity located within the project area, subject to appropriation. A project area will not be eligible for the new state revenues unless the authority imposes the maximum transient guest tax rate allowable by current law.

The Department of Economic Development and the Commissioner of the Office of Administration will jointly evaluate applications for new state revenues, and the revenues will not be distributed until certain conditions are met, as provided in the bill.

The bill specifies that the total amount of new state revenues that may be appropriated in any given year cannot exceed \$10 million, and no single project can receive an annual appropriation in excess of \$5 million.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Northwest Missouri State University
University of Missouri
University of Central Missouri
Office of Administration
Office of Administration – Budget & Planning
Department of Economic Development
Department of Revenue
Office of the Secretary of State
Joint Committee on Administrative Rules

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City of Kansas City
City of Tipton
City of O'Fallon

A handwritten signature in black ink that reads "Julie Morff". The signature is written in a cursive, flowing style.

Julie Morff
Director
April 9, 2025

A handwritten signature in black ink that reads "Jessica Harris". The signature is written in a cursive, flowing style.

Jessica Harris
Assistant Director
April 9, 2025