

FIRST REGULAR SESSION

SENATE BILL NO. 203

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS SCHMITT, RICHARD, DEMPSEY, JUSTUS, SCHAEFER,
CALLAHAN, WASSON AND WRIGHT-JONES.

Read 1st time January 27, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

0043S.021

AN ACT

To amend chapter 67, 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 67, RSMo, is amended by adding thereto one new section, to be known as section 67.3000, to read as follows:

67.3000. 1. As used in this section, the following words shall mean:

(1) "Active Member", an organization located in the state of Missouri, which solicits and services sports events, sports organizations, and other types of sports-related activities in that community;

(2) "Applicant" or "applicants", one or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively;

(3) "Certified sponsor" or "certified sponsors", a nonprofit organization which is an active member of the National Association of Sports Commissions;

(4) "Department", the Missouri department of economic development;

(5) "Director", the director of revenue;

(6) "Eligible costs", shall include:

(a) Costs necessary for conducting the sporting event;

(b) Costs relating to the preparations necessary for the conduct of the sporting event; and

(c) An applicant's pledged obligations to the site selection

21 organization as evidenced by the support contract for the sporting
22 event.

23 Eligible costs shall not include any cost associated with (i) the
24 rehabilitation or construction of any facilities used to host the sporting
25 event but may include costs associated with the retrofitting of a facility
26 necessary to accommodate the sporting event, and (ii) direct payments
27 to a for-profit site selection organization;

28 (7) "Endorsing municipality" or "endorsing municipalities", any
29 city, town, incorporated village, or county that contains a site selected
30 by a site selection organization for one or more sporting events;

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

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

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

43 (a) Has been authorized by one or more certified sponsors,
44 endorsing municipalities, or endorsing counties, acting individually or
45 collectively, to pursue an application and bid on its or the applicant's
46 behalf to a site selection organization for selection as the site of one or
47 more sporting events; or

48 (b) With the authorization of one or more certified sponsors,
49 endorsing municipalities, or endorsing counties, acting individually or
50 collectively, executes an agreement with a site selection organization
51 regarding a bid to host one or more sporting events;

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

58 Tennis Association (USTA); the Amateur Athletic Union (AAU); the
59 Amateur Softball Association of America (ASA); other major regional,
60 national, and international sports associations, leagues, and
61 organizations that promote, organize, or administer sporting games,
62 competitions, or events; or other major regional, national, and
63 international organizations that promote or organize eligible events;

64 (12) "Sporting event" or "sporting events", a NCAA national
65 championship, including the Final Four, Frozen Four, wrestling
66 championships, and other Division I, III, and III men's and women's
67 national championship events; NCAA postseason basketball regional
68 and first and second rounds; college football bowl game; NCAA post-
69 season college football game; college football or basketball game played
70 at a neutral site; collegiate athletic conference championship or
71 tournament; NAIA tournament or championship; a regional or national
72 championship of an amateur sport sanctioned by the national
73 governing body of a sport recognized by the USOC; Olympic trials or
74 other Olympic competition; USGA amateur event; Davis Cup or Fed Cup
75 tennis match; World Cup soccer match; AAU, ASA, US Youth Soccer, or
76 other major regional or national youth sports tournaments; or other
77 major sporting events approved by the department that generate new
78 tax revenue for the state of Missouri. The term includes any event and
79 activity related to or associated with a sporting event;

80 (13) "Support contract" or "support contracts", an event award
81 notification, joinder undertaking, joinder agreement, or contract
82 executed by an applicant and a site selection organization;

83 (14) "Tax credit" or "tax credits", a credit or credits issued by the
84 department against the tax otherwise due under chapter 143 or 148,
85 excluding withholding tax imposed by sections 143.191 to 143.265.

86 2. An applicant may submit a copy of a support contract for a
87 sporting event to the department. Within sixty days of receipt of the
88 sporting event support contract, the department shall review the
89 applicant's support contract and certify such support contract if it
90 complies with the requirements of this section. Upon certification of
91 the support contract by the department, the applicant shall be
92 authorized to receive the tax credit under subsection 4 of this section.
93 In addition, at any time, including during the site selection process, an
94 applicant may request that the department estimate the receipts from

95 the total tax imposed by chapter 144, determined in the manner set
96 forth in subsection 3 of this section, that is directly attributable to the
97 preparation for and conduct of the sporting event. The applicant may
98 submit the department's estimate to a site selection organization.

99 3. In making the determinations of the estimated or actual tax
100 receipts provided for in this section, the department, in consultation
101 with the director, shall determine the geographic boundaries of the
102 market area for the sporting event and the time period for which there
103 is likely to be an economic impact attributable to the sporting
104 event. The market area shall be the geographic area in which there is
105 a reasonable likelihood of a measurable economic impact directly
106 attributable to the preparation for and conduct of the sporting event,
107 including areas likely to provide venues, accommodations, and services
108 in connection with the sporting event based on the support contract
109 entered into by the applicant and the site selection organization. An
110 endorsing municipality that has been selected as the site for the
111 sporting event shall be included in the market area for the sporting
112 event. The tax revenues in the market area of the sporting event shall
113 be calculated from the total tax imposed by chapter 144. The time
114 period shall be the greater of:

115 (1) The period for which the primary venue is contracted by the
116 site selection organization for the sporting event; or

117 (2) The two-week period that ends at the end of the day after the
118 date on which a sporting event will be held or such longer period as
119 determined by the department.

120 4. No more than thirty days following the conclusion of the
121 sporting event, the applicant shall submit eligible costs and
122 documentation of the costs evidenced by receipts, paid invoices, or
123 other documentation in a manner prescribed by the department.

124 5. No later than sixty days following the conclusion of the
125 sporting event, the department, in consultation with the director, shall
126 determine the amount of tax revenues which are directly attributable
127 to the sporting event or related events, in the manner provided under
128 subsection 3 of this section. No later than sixty days following the
129 receipt of eligible costs and documentation of such costs from the
130 applicant as required in subsection 4 of this section, the department
131 shall issue a refundable tax credit to the applicant for the lesser of one

132 hundred percent of eligible costs incurred by the applicant or fifty
133 percent of the increase in tax revenues within the market area directly
134 attributable to the supporting event. Tax credits authorized by this
135 section may be claimed against taxes imposed by chapters 143 and 148
136 and shall be claimed within one year of the close of the taxable year for
137 which the credits were issued. Tax credits authorized by this section
138 may be transferred, sold, or assigned by filing a notarized endorsement
139 thereof with the department that names the transferee, the amount of
140 tax credit transferred, and the value received for the credit, as well as
141 any other information reasonably requested by the department.

142 6. In no event shall the amount of tax credits issued by the
143 department under this section exceed ten million dollars in any fiscal
144 year. In any fiscal year, no more than eight million dollars in tax
145 credits shall be available to all applicants which submit support
146 contracts for sporting events to be held in any city not within a county
147 or counties with a population in excess of three hundred thousand
148 inhabitants.

149 7. An applicant shall provide any information necessary as
150 determined by the department for the department and the director to
151 fulfill the duties required by this section. At any time upon the request
152 of the state of Missouri, a certified sponsor will subject itself to an
153 audit conducted by the state.

154 8. This section shall not be construed as creating or requiring a
155 state guarantee of obligations imposed on an endorsing municipality
156 under a support contract or any other agreement relating to hosting
157 one or more sporting events in this state.

158 9. The department shall only certify an applicant's support
159 contract for a sporting event in which the site selection organization
160 has yet to select a location for the sporting event as of August 28,
161 2011. Support contracts shall not be certified by the department after
162 August 28, 2017, provided that the support contracts may be certified
163 prior to August 28, 2017 for sporting events that will be held after such
164 date.

165 10. The department may promulgate rules, statements of policy,
166 procedures, forms, and guidelines as necessary to implement the
167 provisions of this section. Any rule or portion of a rule, as that term is
168 defined in section 536.010 that is created under the authority delegated

169 in this section shall become effective only if it complies with and is
170 subject to all of the provisions of chapter 536, and, if applicable, section
171 536.028. This section and chapter 536 are nonseverable and if any of
172 the powers vested with the general assembly pursuant to chapter 536,
173 to review, to delay the effective date, or to disapprove and annul a rule
174 are subsequently held unconstitutional, then the grant of rulemaking
175 authority and any rule proposed or adopted after August 28, 2011, shall
176 be invalid and void.

Unofficial

Bill

Copy