

HOUSE BILL NO. 1370

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BURLISON (Sponsor), TILLEY, FISHER, NASHEED,
FUNDERBURK, SCHARNHORST, RIDDLE, DIEHL AND JONES (89) (Co-sponsors).

5245L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 67, RSMo, by adding thereto two new sections relating to incentives to attract amateur 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 two new sections, to be known as sections 67.3000 and 67.3005, to read as follows:

67.3000. 1. As used in this section and section 67.3005, 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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (c) An applicant's pledged obligations to the site selection organization as evidenced
18 by the support contract for the sporting event.

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20 "Eligible costs" shall not include any cost associated with the rehabilitation or construction
21 of any facilities used to host the sporting event or any direct payments to a for-profit site
22 selection organization, but may include costs associated with the retrofitting of a facility
23 necessary to accommodate the sporting event;

24 (7) "Eligible donation", donations received, by a certified sponsor or local
25 organizing committee, from a taxpayer that may include cash, publically traded stocks and
26 bonds, and real estate that will be valued and documented according to rules promulgated
27 by the department. Such donations shall be used solely to provide funding to attract
28 sporting events to this state;

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

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

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

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

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

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

50 (12) "Site selection organization", the National Collegiate Athletic Association
51 (NCAA); an NCAA member conference, university, or institution; the National Association
52 of Intercollegiate Athletics (NAIA); the United States Olympic Committee (USOC); a

53 national governing body (NGB) or international federation of a sport recognized by the
54 USOC; the United States Golf Association (USGA); the United States Tennis Association
55 (USTA); the Amateur Softball Association of America (ASA); other major regional,
56 national, and international sports associations, and amateur organizations that promote,
57 organize, or administer sporting games, or competitions; or other major regional, national,
58 and international organizations that promote or organize sporting events;

59 (13) "Sporting event" or "sporting events", an amateur or Olympic sporting event
60 that is competitively bid or is awarded to a community by a site selection organization;

61 (14) "Support contract" or "support contracts", an event award notification,
62 joinder undertaking, joinder agreement, or contract executed by an applicant and a site
63 selection organization;

64 (15) "Tax credit" or "tax credits", a credit or credits issued by the department
65 against the tax otherwise due under chapter 143 or 148, excluding withholding tax imposed
66 by sections 143.191 to 143.265;

67 (16) "Taxpayer", any of the following individuals or entities who make an eligible
68 donation:

69 (a) A person, firm, partner in a firm, corporation, or a shareholder in an S
70 corporation doing business in the state of Missouri and subject to the state income tax
71 imposed under chapter 143;

72 (b) A corporation subject to the annual corporation franchise tax imposed under
73 chapter 147;

74 (c) An insurance company paying an annual tax on its gross premium receipts in
75 this state;

76 (d) Any other financial institution paying taxes to the state of Missouri or any
77 political subdivision of this state under chapter 148;

78 (e) An individual subject to the state income tax imposed under chapter 143;

79 (f) Any charitable organization which is exempt from federal income tax and whose
80 Missouri unrelated business taxable income, if any, would be subject to the state income
81 tax imposed under chapter 143.

82 2. An applicant may submit a copy of a support contract for a sporting event to the
83 department. Within sixty days of receipt of the sporting event support contract, the
84 department may review the applicant's support contract and certify such support contract
85 if it complies with the requirements of this section. Upon certification of the support
86 contract by the department, the applicant may be authorized to receive the tax credit under
87 subsection 4 of this section.

88 **3. No more than thirty days following the conclusion of the sporting event, the**
89 **applicant shall submit eligible costs and documentation of the costs evidenced by receipts,**
90 **paid invoices, or other documentation in a manner prescribed by the department.**

91 **4. No later than seven days following the conclusion of the sporting event, the**
92 **department, in consultation with the director, may determine the total number of tickets**
93 **sold at face value for such event. No later than sixty days following the receipt of eligible**
94 **costs and documentation of such costs from the applicant as required in subsection 3 of this**
95 **section, the department may issue a refundable tax credit to the applicant for the lesser of**
96 **one hundred percent of eligible costs incurred by the applicant or an amount equal to five**
97 **dollars multiplied by the event's per-session average admission tickets sold multiplied by**
98 **the number of days from the first to the last session of the event. For events that are**
99 **financially based on participant registrations instead of admission ticket sales, the amount**
100 **shall be equal to five dollars multiplied by the number of registered participants multiplied**
101 **by the number of days from the first to the last day of the event. Tax credits authorized**
102 **by this section may be claimed against taxes imposed by chapters 143 and 148 and shall be**
103 **claimed within one year of the close of the taxable year for which the credits were issued.**
104 **Tax credits authorized by this section may be transferred, sold, or assigned by filing a**
105 **notarized endorsement thereof with the department that names the transferee, the amount**
106 **of tax credit transferred, and the value received for the credit, as well as any other**
107 **information reasonably requested by the department.**

108 **5. In no event shall the amount of tax credits issued by the department under this**
109 **section exceed ten million dollars in any fiscal year. In any fiscal year, no more than eight**
110 **million dollars in tax credits shall be available to all applicants that submit support**
111 **contracts for sporting events to be held in any city not within a county or in any county**
112 **with more than three hundred thousand inhabitants.**

113 **6. An applicant shall provide any information necessary as determined by the**
114 **department for the department and the director to fulfill the duties required by this**
115 **section. At any time upon the request of the state of Missouri, a certified sponsor shall**
116 **subject itself to an audit conducted by the state.**

117 **7. This section shall not be construed as creating or requiring a state guarantee of**
118 **obligations imposed on an endorsing municipality under a support contract or any other**
119 **agreement relating to hosting one or more sporting events in this state.**

120 **8. The department shall only certify an applicant's support contract for a sporting**
121 **event in which the site selection organization has yet to select a location for the sporting**
122 **event as of August 28, 2012. Support contracts shall not be certified by the department**

123 after August 28, 2018, provided that the support contracts may be certified on or prior to
124 August 28, 2018, for sporting events that will be held after such date.

125 9. The department may promulgate rules as necessary to implement the provisions
126 of this section. Any rule or portion of a rule, as that term is defined in section 536.010 that
127 is created under the authority delegated in this section shall become effective only if it
128 complies with and is subject to all of the provisions of chapter 536, and, if applicable,
129 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
130 vested with the general assembly pursuant to chapter 536, to review, to delay the effective
131 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
132 grant of rulemaking authority and any rule proposed or adopted after August 28, 2012,
133 shall be invalid and void.

67.3005. 1. For all taxable years beginning on or after January 1, 2012, any
2 taxpayer shall be allowed a credit against the taxes otherwise due under chapter 143, 147,
3 or 148, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount
4 equal to fifty percent of the amount of an eligible donation, subject to the restrictions in
5 this section. The amount of the tax credit claimed shall not exceed the amount of the
6 taxpayer's state income tax liability in the tax year for which the credit is claimed. Any
7 amount of credit that the taxpayer is prohibited by this section from claiming in a tax year
8 shall not be refundable, but may be carried forward to any of the taxpayer's four
9 subsequent taxable years.

10 2. To claim the credit authorized in this section, a certified sponsor or local
11 organizing committee shall submit to the department an application for the tax credit
12 authorized by this section on behalf of taxpayers. The department shall verify that the
13 applicant has submitted the following items accurately and completely:

14 (1) A valid application in the form and format required by the department;

15 (2) A statement attesting to the eligible donation received, which shall include the
16 name and taxpayer identification number of the individual making the eligible donation,
17 the amount of the eligible donation, and the date the eligible donation was received; and

18 (3) Payment from the certified sponsor or local organizing committee equal to the
19 value of the tax credit for which application is made.

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21 If the certified sponsor or local organizing committee applying for the tax credit meets all
22 criteria required by this subsection, the department shall issue a certificate in the
23 appropriate amount.

24 3. Tax credits issued under this section may be assigned, transferred, sold, or
25 otherwise conveyed, and the new owner of the tax credit shall have the same rights in the

26 credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise
27 conveyed, a notarized endorsement shall be filed with the department specifying the name
28 and address of the new owner of the tax credit or the value of the credit. In no event shall
29 the amount of tax credits issued by the department under this section exceed ten million
30 dollars in any fiscal year.

31 4. The department shall promulgate rules to implement the provisions of this
32 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
33 created under the authority delegated in this section shall become effective only if it
34 complies with and is subject to all of the provisions of chapter 536, and, if applicable,
35 section 536.028. This section and chapter 536, are nonseverable and if any of the powers
36 vested with the general assembly pursuant to chapter 536, to review, to delay the effective
37 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
38 grant of rulemaking authority and any rule proposed or adopted after August 28, 2012,
39 shall be invalid and void.

40 5. Under section 23.253 of the Missouri sunset act:

41 (1) The provisions of the new program authorized under this section shall
42 automatically sunset six years after August 28, 2012, unless reauthorized by an act of the
43 general assembly; and

44 (2) If such program is reauthorized, the program authorized under this section
45 shall automatically sunset on December thirty-first twelve years after the effective date of
46 the reauthorization of this section; and

47 (3) This section shall terminate on September first of the calendar year immediately
48 following the calendar year in which the program authorized under this section is sunset.

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