

2015 Regular Session

SENATE BILL NO. 218

BY SENATOR MURRAY

TAX/TAXATION. Establishes a program to attract major events to the state and dedicates funds therefor. (7/1/15)

1 AN ACT

2 To enact Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950, to

3 be comprised of R.S. 47:6361 through 6364, relative to dedication of funds; to

4 dedicate money to fund incentives for attracting specified major events; to establish

5 a program for such incentives; to provide for qualifications for payments from the

6 dedicated funds; to provide for determination of the incentive payments to be made

7 from such dedicated funds; to provide for an effective date; and to provide for related

8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of

11 1950, comprised of R.S. 47:6361 through 6364, is hereby enacted to read as follows:

12 **CHAPTER 5. MAJOR EVENTS INCENTIVE PROGRAM**

13 **§6361. Definitions**

14 **As used in this Chapter:**

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

16 **(a) A municipality that contains a site selected by a site selection**

17 **organization for a qualified event.**

1 **(b) A municipality that does not contain a site selected by a site selection**
2 **organization for a qualified 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 **(2) "Endorsing parish" means either of the following:**

5 **(a) A parish that contains a site selected by a site selection organization**
6 **for a qualified event.**

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

10 **(3) "Event support contract" or "event contract" means a joint**
11 **undertaking, joint agreement, or a similar contract executed by a local**
12 **organizing committee, an endorsing municipality, or an endorsing parish and**
13 **a site selection organization.**

14 **(4) "Local organizing committee" means an organization created as the**
15 **official host entity sanctioned by an endorsing municipality or parish for a**
16 **specified major event.**

17 **(5) "Qualified event" means a National Football League Super Bowl, a**
18 **National Collegiate Athletic Association Final Four tournament game, the**
19 **National Basketball Association All-Star Game, the X Games, a National**
20 **Collegiate Athletic Association Division I Football Bowl Subdivision postseason**
21 **playoff or championship game, the World Games, a national collegiate**
22 **championship of an amateur sport sanctioned by the national governing body**
23 **of the sport that is recognized by the United States Olympic Committee, an**
24 **Olympic activity including a Junior or Senior activity, training program, or**
25 **feeder program sanctioned by the United States Olympic Committee's**
26 **Community Olympic Development Program, a mixed martial arts**
27 **championship, the Breeders' Cup World Championships, a Bass Masters**
28 **Classic, a National Motorsports race, the Red Bull Series, a National Collegiate**
29 **Athletic Association football kickoff game, a national championship or Olympic**

1 trials of an amateur or professional sport sanctioned by the national governing
2 body of the sport, a national military event, or a national political convention
3 of the Republican National Committee or of the Democratic National
4 Committee. The term includes any activities related to or associated with a
5 qualified event.

6 (6) "Secretary" means the secretary of the Department of Economic
7 Development.

8 (7) "Site selection organization" means any of the following:

9 (a) The National Football League, the National Collegiate Athletic
10 Association, the National Basketball Association, the International World
11 Games Association, or the United States Olympic Committee.

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

14 (c) The National Thoroughbred Racing Association.

15 (d) The Republican National Committee or Democratic National
16 Committee.

17 §6362. Major Events Incentive Program Fund

18 A. There is hereby established in the state treasury a special fund to be
19 known as the "Major Events Incentive Program Fund", hereafter in this
20 Chapter, the "fund".

21 B. Beginning with the 2015-2016 Fiscal Year and for each fiscal year
22 thereafter, and after allocation of money to the Bond Security and Redemption
23 Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana,
24 the treasurer shall deposit in and credit to the fund on a monthly basis an
25 amount equal to the sum of the incremental increase in state tax receipts
26 generated by the occurrence of all qualified events.

27 C. Monies in the fund shall be invested in the same manner as the state
28 general fund monies. Interest earned on the investment of monies in the fund,
29 after being credited to the Bond Security and Redemption Fund pursuant to

1 Article VII, Section 9(B) of the Constitution of Louisiana, shall be credited to
2 the fund. All unexpended and unencumbered monies and earnings remaining
3 in the fund at the end of the fiscal year shall remain in the fund.

4 D. The treasurer shall disburse monies in the fund to each eligible entity
5 at times and in amounts as determined by the secretary pursuant to the
6 provisions of this Chapter.

7 §6363. Incentives

8 A. The secretary of the Department of Economic Development is hereby
9 authorized to enter into a contract with a local organizing committee, endorsing
10 parish, or endorsing municipality to recruit, solicit, or acquire for Louisiana
11 any qualified event that will have a significant positive impact on economic
12 development in the state. The contract shall provide for a financial commitment
13 to the local organizing committee, endorsing parish, or endorsing municipality
14 which shall be paid with funds dedicated for that purpose pursuant to R.S.
15 47:6362.

16 B. Certification of sales. The secretary shall determine the amount of
17 the incentive payment to be made pursuant to the contract and shall notify the
18 treasurer of his determination. Payments shall be based upon the amount of
19 incremental increase in tax receipts generated within the designated area by the
20 occurrence of the qualified event during a specified period. Such payment shall
21 not exceed seventy percent of the total tax receipts projected to be collected.

22 C. Incentive payment. Notwithstanding any provision of law to the
23 contrary, the treasurer shall make the payment authorized pursuant to
24 provisions of this Section from the monies in the fund created by R.S. 47:6362.

25 §6364. Requirements for eligibility

26 An event not included in the definition of qualified event is ineligible for
27 funding under this Chapter. A qualified event may receive funding under this
28 Chapter only if all of the following conditions are met:

29 (1) After considering through a highly competitive selection process one

1 or more sites that are not located in this state, a site selection organization
 2 selects a site located in this state for an event to be held once, or for an event
 3 scheduled to be held annually for a period of years under an event contract.

4 **(2) A site selection organization selects a site in this state as either:**

5 **(a) The sole site for the event.**

6 **(b) The sole site for the event in a region composed of this state and one**
 7 **or more adjoining states.**

8 **(3) The event is held not more frequently than annually.**

9 Section 2. This Act shall become effective on July 1, 2015.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

SB 218 Original

2015 Regular Session

Murray

Proposed law establishes the Major Events Incentive Program authorizing the secretary of the Dept. of Economic Development (DED) to enter into a contract with a local organizing committee, endorsing parish, or endorsing municipality to recruit, solicit, or acquire for Louisiana major specified events that have a significant positive economic development impact on the state. The contract shall provide for financial commitment to the local organizing committee, endorsing parish, or endorsing municipality which shall be paid with funds dedicated for such purposes.

Proposed law creates a fund in the treasury for deposit of the incremental increase in state taxes generated by the occurrence of the qualified event.

Proposed law authorizes the DED secretary to determine the amount of the incentive to be paid pursuant to the contract, based upon the amount of incremental increase in tax receipts within the designated area attributable to the qualified event during a specified period. Such rebate shall not exceed 70% of the incremental increase.

Proposed law requires the treasurer to make the incentive payment from the fund as certified by the DED secretary.

Proposed law defines as qualified events. Includes, among others:

- (1) The NFL Super Bowl.
- (2) The NCAA Final Four.
- (3) The NBA All-Star Game.
- (4) The X Games.
- (5) An NCAA Division I Football Bowl Subdivision postseason playoff or championship game.
- (6) The World Games.

- (7) A national collegiate championship of an amateur sport recognized by the United States Olympic Committee (USOC).
- (8) An Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the USOC.
- (9) A mixed martial arts championship.
- (10) The Breeders' Cup World Championships.
- (11) A Bass Masters Classic.
- (12) A National Motorsports race.
- (13) A national political convention of the Republican National Committee or the Democratic National Committee.

Proposed law also requires the event to be held no more often than annually and to be one for which one or more sites not located in the state are considered. Further requires that the site in the state is either the sole site or the sole regional site for the event.

Effective July 1, 2015.

(Adds R.S. 47:6361-6364)