

2015 Regular Session

SENATE BILL NO. 218

BY SENATORS MURRAY AND ALARIO

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

AN ACT

To amend and reenact R.S. 51:2365(D)(1) and (3) and (F)(2), and to enact R.S. 51:2365(F)(1)(d) and 2365.1, relative to dedication of funds; to dedicate money to fund incentives for attracting specified major events; to establish the Major Events Incentive Program Subfund as a subfund of the Louisiana Mega-Project Development Fund, a special fund in the state treasury; to provide for the deposit of monies into and use of such monies in the subfund; to provide for the appropriation of monies from the subfund; to establish a program for such incentives; to provide for qualifications for payments from the dedicated funds; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 51:2365(D)(1) and (3) and (F)(2) are hereby amended and reenacted and R.S. 51:2365(F)(1)(d) and 2365.1 are hereby enacted to read as follows:

§2365. Louisiana Mega-Project Development Fund

\* \* \*

D.(1) Monies in the fund shall be available for appropriation for general purposes and for use by the Department of Economic Development, hereinafter

1 referred to as the "department". Such appropriations shall be used by the secretary  
2 of the department for immediate funding of all or a portion of economic development  
3 mega-projects which may be necessary in order to successfully secure the creation  
4 or retention of jobs by a business entity **or a qualified major event** under such  
5 circumstances as established by this Part.

6 \* \* \*

7 (3) The department shall make available upon request the economic impact  
8 analysis on an economic development project which receives monies from the fund.  
9 **This Subparagraph shall not apply to a mega-project which is a qualified major**  
10 **event as defined in R.S. 51:2365.1.**

11 \* \* \*

12 F.(1) For purposes of this Section, "mega-project" means:

13 \* \* \*

14 **(d) A qualified major event as defined in R.S. 51:2365.1(A)(5) which**  
15 **meets all of the requirements for eligibility as set forth in R.S. 51:2365.1(D).**

16 (2) Except for a mega-project as provided in ~~Subparagraph~~ **Subparagraphs**  
17 (1)(b) **and (d)** of this Subsection, the investment by the state in any mega-project  
18 shall not exceed thirty percent of the total cost of the project as described by the  
19 cooperative endeavor agreement.

20 \* \* \*

21 **§ 2365.1. Major Events Incentive Program and the Major Events Incentive**

22 **Program Subfund**

23 **A. Definitions**

24 **As used in this Subpart:**

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

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

28 **(b) A municipality that does not contain a site selected by a site selection**  
29 **organization for a qualified event, but is included in the market area for the**

1 event as designated by the secretary and is a party to an event support contract.

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

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

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

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

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

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

1 a national military event, or a national political convention of the Republican  
2 National Committee or of the Democratic National Committee. The term  
3 includes any activities related to or associated with a qualified event.

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

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

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

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

12 (c) The National Thoroughbred Racing Association.

13 (d) The Republican National Committee or Democratic National  
14 Committee.

15 (e) The United States Bowling Congress.

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

19 B.(1) There is hereby established in the state treasury a special subfund  
20 in the Mega-Project Development Fund to be known as the "Major Events  
21 Incentive Program Subfund", hereafter in this Section, the "subfund".

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

28 (3) Monies in the subfund shall be invested in the same manner as monies  
29 in the Louisiana Mega-Project Development Fund and any interest earned on

1 the investment of monies in the subfund shall be credited to the subfund. All  
2 unexpended and unencumbered monies in the subfund at the end of the fiscal  
3 year shall remain in the subfund.

4 (4) Subject to legislative appropriation and the approval of the Joint  
5 Legislative Committee on the Budget, the treasurer shall disburse monies as  
6 provided in R.S. 51:2365 to each eligible entity at times and in amounts as  
7 determined by the secretary and approved by the Joint Legislative Committee  
8 on the Budget.

9 C.(1) Subject to legislative appropriation and the approval of the Joint  
10 Legislative Committee on the Budget, the secretary of the Department of  
11 Economic Development is hereby authorized to enter into a contract with a local  
12 organizing committee, endorsing parish, or endorsing municipality to recruit,  
13 solicit, or acquire for Louisiana any qualified event that will have a significant  
14 positive impact on economic development in the state. The contract shall  
15 provide for a financial commitment to the local organizing committee,  
16 endorsing parish, or endorsing municipality which shall be subject to legislative  
17 appropriation.

18 (2) The amount of the incremental increase in certain state tax receipts  
19 generated within the designated area by the occurrence of the qualified event  
20 during a specified period shall be determined by the secretary. The secretary  
21 shall notify the Joint Legislative Committee on the Budget and the treasurer of  
22 his determination and, upon the direction of the Joint Legislative Committee on  
23 the Budget, the treasurer shall transfer the amount of the incremental increase  
24 to the subfund. Such state tax receipts shall be limited to excise tax and sales  
25 and use taxes, excluding state hotel and motel occupancy taxes. The amount of  
26 the incremental increase shall not include local tax receipts.

27 D. An event not included in the definition of qualified event is ineligible  
28 for funding under R.S. 51:2365. A qualified event may receive funding under  
29 R.S. 51:2365 only if all of the following conditions are met:

1                    **(1) After considering through a highly competitive selection process one**  
 2                    **or more sites that are not located in this state, a site selection organization**  
 3                    **selects a site located in this state for an event to be held once, or for an event**  
 4                    **scheduled to be held annually for a period of years under an event contract.**

5                    **(2) A site selection organization selects a site in this state as the sole site**  
 6                    **for the event.**

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

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

---

The original instrument was prepared by Laura Gail Sullivan. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

---

DIGEST

SB 218 Reengrossed

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 qualified major specified events that have a significant positive economic development impact on the state. Subject to legislative appropriation and the approval of the Joint Legislative Committee on the Budget, 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 the Major Events Incentive Program Subfund in the treasury for deposit of the incremental increase in certain state taxes receipts generated by the occurrence of all qualified events.

Proposed law provides definitions for "endorsing municipality", "endorsing parish", "event support contract", "event contract", "local organizing committee", "secretary", and "site selection organization".

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 as determined by the secretary. Such state tax receipts shall be limited to excise tax and sales and use tax, excluding state hotel and motel occupancy taxes. The amount of the increment increase shall not include local tax receipts.

Proposed law requires the treasurer to make the incentive payment from the subfund as certified by the DED secretary, subject to legislative appropriation and the approval of the Joint Legislative Committee on the Budget.

Proposed law also defines "qualified event" or "qualified major event" and 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) Red Bull Signature Series.
- (14) A NCAA football kickoff game.
- (15) A national championship or Olympic trials of an amateur or professional sport sanctioned by the national governing body of the sport.
- (16) United States Bowling Congress Tournament.
- (17) A national military event.
- (18) 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 a site selection organization selects a site in this state as the sole site for the event.

Effective July 1, 2015.

(Amends R.S. 51:2365(D)(1) and (3) and (F)(2); adds R.S. 51:2365(F)(1)(d) and 2365.1)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Moves proposed legislation from Title 47 to Title 39.
2. Provides that disbursement of monies from the fund are subject to legislative appropriation.
3. Provides for approval by the Joint Legislative Committee on the Budget.
4. Provides that the amount of the incremental increase shall be determined by

the secretary of the Department of Economic Development.

5. Provides that the amount of the incremental increase shall be based upon state excise taxes and state sales and use taxes, excluding state hotel and motel occupancy taxes and does not include any local taxes.
6. Provides that the state shall be the sole site for the event.

Senate Floor Amendments to engrossed bill

1. Moves proposed legislation from Title 39 to Title 51.
2. Replaces the creation of the Major Event Incentive Program Fund with the Major Events Incentive Program Subfund within the LA Mega-Project Development Fund. Such funds are to be used as an investment by the state to fund incentives for attracting specified major events.
3. Reduces the state investment amount for a mega-project from not to exceed 70% to not to exceed 30% of the total cost of the project.
4. Technical amendments.