

Regular Session, 2014

HOUSE BILL NO. 1132

BY REPRESENTATIVE ABRAMSON

FUNDS/FUNDING: Establishes the Louisiana Sports Economic Development Fund

1 AN ACT

2 To enact R.S. 39:100.126(D) and Subpart S of Part II-A of Chapter 1 of Subtitle I of Title  
3 39 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:100.137,  
4 relative to state and local funds; to establish the Louisiana Sports Economic  
5 Development Fund in the state treasury; to provide for the deposit, use, and  
6 investment of monies in the fund; to provide for definitions; to provide for certain  
7 determinations; to provide with respect to applications for monies from the fund; to  
8 provide for the administration of the fund; to provide for effectiveness; and to  
9 provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 39:100.126(D) and Subpart S of Part II-A of Chapter 1 of Subtitle I  
12 of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.137, are  
13 hereby enacted to read as follows:

14 §100.126. Major Events Fund

15 \* \* \*

16 D. The provisions of this Section shall not apply to any national or collegiate  
17 sporting event hosted by the state of Louisiana or any political subdivision of the  
18 state on or after January 1, 2015, which applies for and receives monies from the  
19 Louisiana Sports Economic Development Fund pursuant to R.S. 39:100.137.

20 \* \* \*

1        SUBPART S. LOUISIANA SPORTS ECONOMIC DEVELOPMENT FUND

2        §100.137. Louisiana Sports Economic Development Fund

3                A. There is hereby established as a special fund in the state treasury, the  
4        "Louisiana Sports Economic Development Fund", hereinafter referred to as "the  
5        fund", which shall consist of a portion of the monies generated as a result of a  
6        qualified sporting event hosted by the state of Louisiana or any political subdivision  
7        of the state on or after January 1, 2015. After compliance with the requirements of  
8        Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond  
9        Security and Redemption Fund, the treasurer shall deposit no less than fifty percent  
10       of the amount of the incremental increase of state and local tax revenues generated  
11       in the market area of a qualified sporting event hosted by the state or a political  
12       subdivision of this state into the fund as determined pursuant to the provisions of  
13       Subsection D of this Section. The monies in the fund shall be invested by the state  
14       treasurer in the same manner as monies in the state general fund. All interest earned  
15       from the investment of monies in the fund shall be deposited into and remain in the  
16       fund. All unexpended and unencumbered monies remaining in the fund at the close  
17       of each fiscal year shall remain in the fund. Monies in the fund shall be used in  
18       accordance with the provisions of Subsection C of this Section.

19               B. For purposes of this Subpart, the following terms shall have the following  
20       meanings unless the context clearly indicates otherwise:

21               (1) "Local organizing committee" shall mean a nonprofit corporation or its  
22       successor in interest which is authorized by one or more endorsing parishes or  
23       municipalities acting collectively to pursue an application and bid on the applicant's  
24       behalf to a site selection organization for selection as the site of a qualified sporting  
25       event or has authorization from one or more endorsing parishes or municipalities  
26       acting collectively to execute an agreement with a site selection organization  
27       regarding a bid to host a qualified sporting event.

28               (2) "Market area" shall mean the geographic boundaries of the parish in  
29       which the qualified sporting event is held which is chosen by the site selection

1 organization of the national or collegiate sporting event to host the qualified sporting  
2 event.

3 (3) "Qualified sporting event" shall mean any national or collegiate sporting  
4 event hosted by the state of Louisiana or any political subdivision of the state on or  
5 after January 1, 2015, which is not held in Louisiana on an annual basis.

6 (4) "Site selection organization" shall mean the national governing body of  
7 a national sports organization or the governing body of a collegiate sports association  
8 with authority to select the site of a national or collegiate sporting event.

9 C.(1) In order to receive monies from the fund, a local organizing committee  
10 shall apply for funding with the secretary of the Department of Economic  
11 Development. The secretary shall establish an application form and an application  
12 process which shall include all relevant information deemed necessary by the  
13 secretary in determining if the application meets the criteria necessary to qualify for  
14 monies from the fund. After receipt of the application, if the secretary of the  
15 Department of Economic Development determines that the application meets all  
16 qualifying and funding eligibility requirements provided for in this Section, the  
17 secretary shall recommend, in writing, to the Joint Legislative Committee on the  
18 Budget his funding recommendation for the application. The chairman of the Joint  
19 Legislative Committee on the Budget shall schedule a hearing regarding the funding  
20 recommendation of the secretary no later than forty-five days following the date of  
21 receipt of the recommendation from the secretary of the Department of Economic  
22 Development. If the Joint Legislative Committee on the Budget approves the  
23 secretary's funding recommendation, the chairman shall notify the state treasurer of  
24 the committee's approval of monies to be disbursed from the fund.

25 (2) The secretary of the Department of Economic Development shall submit  
26 an annual report to the Joint Legislative Committee on the Budget regarding the  
27 applications funded throughout the calendar year and the fund balance. The annual  
28 report shall be submitted no later than the first day of February each year.

1           (3) Monies in the fund shall be used exclusively to fund the costs associated  
2           with applying for or bidding for selection of Louisiana or a political subdivision of  
3           the state as the site of a qualified sporting event, costs associated with necessary  
4           preparations for the conduct of a qualified sporting event in Louisiana or a political  
5           subdivision of the state, including construction or renovation of facilities necessary  
6           for hosting a qualified sporting event, and costs associated with actually conducting  
7           the qualified sporting event in Louisiana or a political subdivision of the state.

8           D.(1) A qualified sporting event shall be eligible for funding from the fund  
9           under any of the following circumstances:

10           (a) A site selection organization selects a site in Louisiana for the qualified  
11           sporting event after considering, through a highly competitive selection process, one  
12           or more sites located outside of Louisiana.

13           (b) A site selection organization selects a site in Louisiana as the sole site for  
14           the qualified sporting event.

15           (c) The qualified sporting event is not held more than one time in any  
16           calendar year and is not held in Louisiana on an annual basis.

17           (2)(a) If a site selection organization selects a site in Louisiana for a  
18           qualified sporting event pursuant to an application by a local organizing committee,  
19           the legislative auditor shall determine for a one-month period prior to the date the  
20           qualified sporting event begins all of the following:

21           (i) The baseline and the incremental increase in the amount of state sales and  
22           use tax receipts and state hotel occupancy taxes collected within the market area  
23           directly attributable to the preparation for and presentation of the qualified sporting  
24           event and its related activities.

25           (ii) The baseline and incremental increase in the amount of local sales and  
26           use tax receipts and local hotel occupancy taxes collected within the market area  
27           directly attributable to the preparation for and presentation of the qualified sporting  
28           event and its related activities.

1           (b) Requests for determination of the baseline and incremental increase  
2           amounts as provided for in this Paragraph shall be submitted to the legislative auditor  
3           not earlier than six months prior to the date the qualified sporting event begins. The  
4           legislative auditor shall issue its determination of the baseline and incremental  
5           increase amounts no later than sixty days following the date the qualified sporting  
6           event ends. The legislative auditor shall base its determination of the baseline and  
7           incremental increase amounts on monthly statements of tax collections of the state,  
8           parish, and municipal governments within the market area, financial records and  
9           documentation submitted by the local organizing committee to the site selection  
10          organization, data obtained by the local organizing committee relating to the  
11          projected attendance and the potential economic impact of the qualified sporting  
12          event, and any other documentation the legislative auditor deems necessary to make  
13          its determination.

14           (c) The legislative auditor shall notify the state treasurer, the secretary of the  
15          Department of Revenue, the secretary of the Department of Economic Development,  
16          and to the governing authority of the market area in which the qualified sporting  
17          event is held the amount of the baseline and incremental increase amounts  
18          determined by his office.

19           (3)(a) Once the secretary of the Department of Revenue receives the amount  
20          of the incremental increase of state tax revenues from the legislative auditor, the  
21          secretary shall forward no less than fifty percent of the amount of the incremental  
22          increase to the state treasurer for deposit into the fund. The secretary may enter into  
23          an agreement with the treasurer to forward such monies over a six-month period.

24           (b) Once the governing authority of the market area receives the amount of  
25          the incremental increase of local tax revenues from the legislative auditor, the  
26          governing authority of the market area shall forward no less than fifty percent of the  
27          amount of the incremental increase to the state treasurer for deposit into the fund.  
28          The governing authority of the market area may enter into an agreement with the  
29          state treasurer to forward such monies over a six-month period.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Abramson

HB No. 1132

**Abstract:** Establishes the Louisiana Sports Economic Development Fund to provide funding for certain costs associated with applying for, bidding on, and hosting national or collegiate sporting events in Louisiana.

Present law provides for the establishment to the "Major Event Fund" as a special fund in the state treasury to provide funding for entities within the state for the costs associated with attracting, hosting, and staging major events of area-wide, statewide, regional, national, or international prominence. Such funding requires prior approval of the Joint Legislative Committee on the Budget (JLCB).

Proposed law retains present law but exempts national or collegiate sporting events hosted by the state or any political subdivision of the state on or after Jan. 1, 2015, which apply for and receive monies from the Louisiana Sports Economic Development Fund.

Proposed law establishes the "Louisiana Sports Economic Development Fund", hereinafter referred to as "the fund", as a special fund in the state treasury, which shall consist of a portion of the monies generated as a result of a qualified sporting event hosted by the state or any political subdivision of the state on or after Jan. 1, 2015. Requires the treasurer to deposit no less than 50% of the amount of the incremental increase of state and local tax revenues generated in the market area of a qualified sporting event hosted by the state or a political subdivision of this state into the fund as determined pursuant to the provisions of proposed law.

Proposed law defines "market area" as the geographic boundaries of the parish in which the qualified sporting event is held which is chosen by the site selection organization of the national or collegiate sporting event to host the qualified sporting event. Defines "qualified sporting event" as any national or collegiate sporting event hosted by the state or any political subdivision of the state on or after Jan. 1, 2015, which is not held in La. on an annual basis.

Proposed law requires a local organizing committee to apply for funding with the secretary of the Department of Economic Development (DED). Requires the secretary to establish an application form and an application process. If the secretary of DED determines that the application meets all requirements of proposed law, the secretary shall recommend, in writing, to the JLCB his funding recommendations for the application.

Proposed law requires the chairman of the JLCB to schedule a hearing no later than 45 days following the date of receipt of the recommendation from DED. If the JLCB approves the funding recommendation, the chairman shall notify the state treasurer of the committee's approval to disburse monies from the fund.

Proposed law requires DED to submit an annual report no later than the first day of Feb. each year to the JLCB regarding applications funded throughout the calendar year and the fund balance.

Proposed law requires monies in the fund to be used exclusively to fund the costs associated with applying for or bidding for selection of La. or a political subdivision of the state as the site of a qualified sporting event, costs associated with necessary preparations for the conduct of a qualified sporting event, including construction or renovation of facilities, and

costs associated with actually conducting the qualified sporting event in La. or a political subdivision of the state.

Proposed law provides for the eligibility of a qualified sporting event to receive monies from the fund.

Proposed law requires the legislative auditor to determine for a one-month period prior to the date the qualified sporting event begins the baseline and the incremental increase in the amount of state and local sales and use tax receipts and state and local hotel occupancy taxes collected within the market area directly attributable to the preparation for and presentation of the qualified sporting event and its related activities. Requires the legislative auditor to issue its determination of the baseline and incremental increase amounts no later than 60 days following the date the qualified sporting event ends.

Proposed law requires the legislative auditor to notify the state treasurer, the secretary of the Dept. of Revenue (DOR), the secretary of DED, and to the governing authority of the market area in which the qualified sporting event is held the amount of the baseline and incremental increase amounts determined by his office.

Proposed law requires DOR and the governing authority for the market area to forward no less than 50% of the amount of the incremental increase to the state treasurer for deposit into the fund once these parties receive the legislative auditor's determination of the amount of the incremental increase in state and local tax revenues. Proposed law authorizes DOR and the governing authority of the market area to enter into an agreement with the state treasurer to forward such monies over a six-month period.

(Adds R.S. 39:100.126(D) and 100.137)