

Regular Session, 2014

HOUSE BILL NO. 1229

BY REPRESENTATIVE LEGER

FUNDS/FUNDING: Establishes the Louisiana Sporting, Special Events, and Major Conventions Fund as a special treasury 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 special funds; to create the Louisiana Sporting, Special Events, and Major
5 Conventions Fund as a special treasury fund; to provide for the deposit, use, and
6 investment of the monies in the fund; to authorize the promulgation of certain rules
7 and regulations; provide for the review and approval of such rules; and to provide
8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

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

13 §100.126. Major Events Fund

14 * * *

15 D. The provisions of this Section shall not apply to any sporting, special
16 event, or convention hosted by the state of Louisiana which applies for and receives
17 monies from the Louisiana Sporting, Special Events, and Major Conventions Fund
18 pursuant to the provisions of R.S. 39:100.137.

19 * * *

1 SUBPART S. LOUISIANA SPORTING, SPECIAL EVENTS, AND

2 MAJOR CONVENTIONS FUND

3 §100.137. Louisiana Sporting, Special Events, and Major Conventions Fund

4 A. The purpose of this Section is to establish a mechanism to fund
5 participation by the state of Louisiana and its non-profit corporations, local
6 organizing committees, local host committees, stadiums, venues and convention
7 facilities in seeking and winning bids to host sport championships, special events,
8 and major conventions in national and international competitions. This Section seeks
9 to establish a mechanism whereby a portion of the incremental state tax revenues
10 generated as a result of winning and hosting such events can be reinvested in funding
11 the costs of competing for and hosting future sport championships, special events,
12 and major conventions without impairing the state general fund. The goal is to
13 create a mechanism to foster the cycling of a portion of incremental net state tax
14 revenues generated from hosting sport championships, special events, and major
15 conventions into winning additional events, which will ultimately create significant
16 economic gain by growing state tax revenues and the state's large private special
17 event industry without annual state general fund line item appropriations.

18 B.(1) There is hereby established as a special fund in the state treasury, the
19 "Louisiana Sporting, Special Events, and Major Conventions Fund", hereinafter
20 referred to as "the fund", which shall consist of a share of incrementally gained state
21 tax revenues generated as a result of a qualified sporting, special event, or major
22 convention hosted or contracted for at a Louisiana site by a non-profit corporation,
23 local organizing committee, or by a sporting, stadium, arena, competition area,
24 assembly, or convention facility or its official managing entity when such facility is
25 largely built, financed, or owned by the state of Louisiana or any political
26 subdivision of the state. After compliance with the requirements of Article VII.
27 Section 9(B) of this constitution relative to the Bond Security and Redemption Fund,
28 the treasurer shall deposit all defined incremental state tax revenue generated as a
29 result of a qualified major event into the fund. The monies in the fund shall be

1 invested by the state treasurer in the same manner as monies in the state general
2 fund. All interest earned from the investment of monies in the fund shall be
3 deposited into and remain in the fund. All unexpended and unencumbered monies
4 remaining in the fund at the close of each fiscal year shall remain in the fund.

5 (2) Monies in the fund shall be used exclusively to fund the costs associated
6 with applying for, bidding on, meeting the financial requirements of proffering
7 essential incentives for, meeting necessary related guarantees and operating funding
8 for, and meeting hosting requirements for the selection of a site in Louisiana as the
9 site for a qualified sporting, special, or major convention event, and all costs
10 associated with actually conducting and managing the qualified event in Louisiana.

11 C.(1) The secretary of the Department of Economic Development shall
12 promulgate rules and regulations in accordance with the Administrative Procedure
13 Act to implement the provisions of this Section, including but not limited to rules
14 defining the types of non-profit organizations, local organizing committees, host
15 committees, and facilities eligible to utilize state tax revenues deposited into the
16 fund, establish the process for applying for use of such funds, as well as establish
17 guidelines governing all sporting events, special events, and major conventions
18 eligible for funding from the fund.

19 (2) The state treasurer shall promulgate rules and regulations in accordance
20 with the Administrative Procedure Act to establish the independent mechanisms,
21 criteria, formulas, and economic evaluations necessary to establish the level of
22 incremental state tax benefits generated as a result of a particular sporting event,
23 special event, or major convention that shall be used in determining the amount of
24 incremental state tax proceeds to be deposited into the fund.

25 (3) Rules and regulations promulgated pursuant to the provisions of this
26 Subsection shall be subject to review and approval by the Joint Legislative
27 Committee on the Budget.

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)]

Leger

HB No. 1229

Abstract: Establishes the "Louisiana Sporting, Special Events, and Major Conventions Fund" as a special treasury fund to fund certain costs associated with bidding for and hosting qualified sporting, special event, or major conventions 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 any sporting, special event, or convention hosted by the state of Louisiana which applies for and receives monies from the Louisiana Sporting, Special Events, and Major Conventions Fund.

Proposed law establishes the "Louisiana Sporting, Special Events, and Major Conventions Fund", hereinafter referred to as "the fund", as a special treasury fund which for deposit of a share of incrementally gained state tax revenues generated as a result of the state hosting qualified sporting, special event, and major conventions. Requires the treasurer to deposit all defined incremental state tax revenue generated as a result of a qualified major event into the fund.

Proposed law requires the monies in the fund to be invested by the state treasurer in the same manner as monies in the state general fund. Further requires all interest earned from the investment of monies in the fund to be deposited into and remain in the fund.

Proposed law provides that monies in the fund shall be used exclusively to fund the costs associated with applying for, bidding on, meeting the financial requirements of proffering essential incentives for, meeting necessary related guarantees and operating funding for and meeting hosting requirements for the selection of a site in Louisiana as the site for a qualified sporting, special, or major convention event, and all costs associated with actually conducting and managing the qualified event.

Proposed law requires secretary of the Dept. of Economic Development to promulgate rules and regulations in accordance with the APA to define the types of non-profit organizations, local organizing committees, host committees, and facilities eligible to utilize state tax revenues deposited into the fund, establish the process for applying for use of such funds, as well as establish guidelines governing all sporting events, special events, and major conventions eligible for funding.

Proposed law requires the state treasurer to promulgate rules and regulations in accordance with the APA to establish the independent mechanisms, criteria, formulas and economic evaluations necessary to establish the level of incremental state tax benefits generated as a result of a particular sporting event, special event, or major convention that shall be used in determining the amount of incremental state tax proceeds to be deposited into the fund.

Proposed law requires all rules and regulations promulgated pursuant to proposed law be subject to review and approval by JLCB.

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