

2022 Regular Session

HOUSE BILL NO. 1015

BY REPRESENTATIVE SCHEXNAYDER

ECONOMIC DEVELOPMENT: Provides relative to financial incentives for events held in Louisiana

1 AN ACT

2 To amend and reenact R.S. 51:2365(D)(3) and (F)(2), to enact R.S. 51:1260 and 1261, and  
3 to repeal R.S. 51:2365(F)(1)(d) and 2365.1, relative to financial incentives for events  
4 held in Louisiana; to provide relative to the Major Events Incentive Program; to  
5 make changes to the administration of the program; to create a grant program for  
6 certain Louisiana events; to provide for administration of the program; and to  
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 51:2365(D)(3) and (F)(2) are hereby amended and reenacted and  
10 R.S. 51:1260 and 1261 are hereby enacted to read as follows:

11 §1260. Major Events Incentive Fund; Major Events Incentive Program

12 A.(1) There is hereby created in the state treasury, as a special fund, the  
13 Major Events Incentive Fund, hereinafter referred to in this Section as the "fund".

14 (2) The source of monies deposited into the fund shall be any monies  
15 appropriated by the legislature, including federal funds, any public or private  
16 donations, gifts, or grants from individuals, corporations, nonprofit organizations,  
17 or other business entities which may be made to the fund, and any other monies  
18 which may be provided by law. In determining the amount of the annual  
19 appropriation to the fund, the legislature shall consider contracts which have been

1 entered into pursuant to this Section as well as any recruitment efforts being made  
2 by local organizing committees for qualified major events.

3 (3) Monies in the fund shall be invested in the same manner as monies in the  
4 state general fund and any interest earned on the investment of monies in the fund  
5 shall be credited to the fund. All unexpended and unencumbered monies in the fund  
6 at the end of the fiscal year shall remain in the fund.

7 (4) Monies in the fund shall be used solely for attracting, hosting, and  
8 staging major events pursuant to the Major Events Incentive Program as provided in  
9 this Section.

10 B. There is hereby created the Major Events Incentive Program, hereinafter  
11 referred to in this Section as the "program", to be administered by the office of  
12 lieutenant governor, through the Department of Culture, Recreation and Tourism.  
13 The program shall provide grant funding to local organizing committees, endorsing  
14 municipalities, and endorsing parishes for costs associated with attracting and  
15 hosting qualified major events as provided in this Section.

16 C. As used in this Section, the following terms have the following meanings:

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

18 (a) A municipality that contains a site selected by a site selection  
19 organization for a major event and is a party to an event support contract.

20 (b) A municipality that does not contain a site selected by a site selection  
21 organization for a qualified major event, but is included in the market area for the  
22 event as designated by the secretary and is a party to an event support contract.

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

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

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

1           (3) "Event support contract" or "event contract" means a joint undertaking,  
2           a joint agreement, or a similar contract executed by a local organizing committee, an  
3           endorsing municipality, or an endorsing parish, or any combination thereof, and a  
4           site selection organization.

5           (4) "Local organizing committee" means an organization created or  
6           recognized as the official host entity sanctioned by an endorsing municipality or  
7           parish for a specified qualified major event.

8           (5) "Qualified major event" means a National Football League Super Bowl,  
9           a National Collegiate Athletic Association Final Four tournament game, the National  
10           Basketball Association All-Star Game, the X Games, a National Collegiate Athletic  
11           Association Division I Football Bowl Subdivision postseason game, a college  
12           tournament or championship, the World Games, a national collegiate championship  
13           of an amateur sport sanctioned by the national governing body of the sport that is  
14           recognized by the United States Olympic Committee, an Olympic activity including  
15           a Junior or Senior activity, training program, or feeder program sanctioned by the  
16           United States Olympic Committee's Community Olympic Development Program,  
17           a mixed martial arts championship, the Breeders' Cup World Championships, a  
18           Bassmasters Classic, a National Motorsports race, the Red Bull Signature Series, a  
19           National Collegiate Athletic Association football kickoff game, a national  
20           championship or Olympic trials of an amateur or professional sport sanctioned by  
21           the national governing body of the sport, the United States Bowling Congress  
22           Tournament, the WWE WrestleMania, the Bayou Classic, the Essence Festival, the  
23           Zurich Classic, a national military event, a national political convention of the  
24           Republican National Committee or of the Democratic National Committee, or any  
25           National Collegiate Athletic Association conference, convention, or conference  
26           media event, including conference media days. The term includes any activities  
27           related to or associated with a qualified major event.

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

2           (a) The National Football League, the National Collegiate Athletic  
3           Association or any affiliated conference, the National Basketball Association, the  
4           International World Games Association, or the United States Olympic Committee.

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

7           (c) The National Thoroughbred Racing Association.

8           (d) The Republican National Committee or Democratic National Committee.

9           (e) The United States Bowling Congress.

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

13          D. An endorsing municipality, endorsing parish, or local organizing  
14          committee shall be eligible to receive funding through the program only if all of the  
15          following apply:

16               (1) The event is included in the definition of qualified major event.

17               (2) A site selection organization selects a site in Louisiana under either of  
18               the following circumstances:

19                   (a) After considering through a highly competitive selection process holding  
20                   the event at one or more sites not located in Louisiana.

21                   (b) As the sole site for the event or the sole site for the event in a region  
22                   composed of Louisiana and one or more states.

23               (3) The event is not held more than one time per year in Louisiana or any  
24               other state.

25          E. The lieutenant governor, through the Department of Culture, Recreation  
26          and Tourism, is hereby authorized to enter into a contract with a local organizing  
27          committee, endorsing parish, or endorsing municipality to recruit, solicit, or acquire  
28          for Louisiana any qualified major event that will have a significant positive impact

1 in the state. The contract shall provide for a financial commitment to the local  
2 organizing committee, endorsing parish, or endorsing municipality.

3 F. Any grants received by an endorsing municipality, endorsing parish, or  
4 local organizing committee may be used for either of the following:

5 (1) To pay or reimburse the costs of applying or bidding for selection as the  
6 site of the event.

7 (2) To pay or reimburse the costs of planning for or conducting the event.

8 G. Within sixty days after the event, the lieutenant governor shall submit an  
9 economic analysis to the state treasurer which shall include the following:

10 (1) The designated area which was impacted by the occurrence of the  
11 qualified major event.

12 (2) The total incremental increase in state sales and use receipts in the  
13 designated area.

14 (3) The total incremental increase in excise tax receipts in the designated  
15 area.

16 (4) The amount equal to fifty percent of the total incremental increases  
17 provided for in Paragraphs (2) and (3) of this Subsection.

18 H. Upon receipt of the analysis from the lieutenant governor, the treasurer  
19 shall immediately transfer the amount provided in Subsection (G)(4) of this Section  
20 from the state general fund to the Major Events Incentive Fund.

21 I. No later than September first of each year, the lieutenant governor shall  
22 submit an annual report on the program to the Joint Legislative Committee on the  
23 Budget. The report shall include the entities that received grant funding for events  
24 in the previous fiscal year, the economic impact of the events to the state, and the  
25 amount of incremental tax revenue transferred to the fund pursuant to this Section.

26 §1261. Events Incentive Fund

27 A.(1) There is hereby created in the state treasury, as a special fund, the  
28 Events Incentive Fund, hereinafter referred to in this Section as the "fund".

1           (2) The source of monies deposited into the fund shall be any monies  
2           appropriated by the legislature, including federal funds, any public or private  
3           donations, gifts, or grants from individuals, corporations, nonprofit organizations,  
4           or other business entities which may be made to the fund, and any other monies  
5           which may be provided by law.

6           (3) Monies in the fund shall be invested in the same manner as monies in the  
7           state general fund and any interest earned on the investment of monies in the fund  
8           shall be credited to the fund. All unexpended and unencumbered monies in the fund  
9           at the end of the fiscal year shall remain in the fund.

10           (4) Monies in the fund shall be used solely for planning, marketing, and  
11           conducting events pursuant to the Events Incentive Program as provided in this  
12           Section.

13           B. There is hereby created the Events Incentive Program, hereinafter referred  
14           to in this Section as the "program", to be administered by the lieutenant governor,  
15           through the Department of Culture, Recreation and Tourism. The program shall  
16           provide grant funding to eligible entities for costs associated with planning,  
17           marketing, and conducting events held in Louisiana. For purposes of this Section,  
18           "event" shall mean an event of area-wide, statewide, regional, national, or  
19           international prominence with an anticipated economic impact of two hundred fifty  
20           thousand dollars or greater to the state.

21           C. A municipality, parish, or nonprofit corporation hosting the event shall  
22           be eligible to receive up to twenty-five percent of the total cost incurred by the entity  
23           for the event, not to exceed two hundred fifty thousand dollars per grant.

24           D. Any application and required documentation shall be submitted no later  
25           than one hundred eighty days prior to the event to be considered for funding.

26           E. Any event that meets the definition of "qualified major event" pursuant  
27           to R.S. 51:1260 shall not be eligible for funding pursuant to this Section.

28           F. No later than September first of each year, the lieutenant governor shall  
29           submit an annual report on the program to the Joint Legislative Committee on the

1       Budget. The report shall include the entities that received grant funding for events  
2       in the previous fiscal year pursuant to this Section and the economic impact of the  
3       events to the state, to the extent possible.

4               G. The lieutenant governor shall promulgate rules for the administration of  
5       the program in accordance with the Administrative Procedure Act. In order to  
6       expedite implementation of the program, the department shall utilize emergency  
7       rulemaking for the promulgation of the initial administrative rules.

8       §2365. Louisiana Mega-Project Development Fund

9   \*       \*       \*

10       D.

11   \*       \*       \*

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

16   \*       \*       \*

17       F.

18   \*       \*       \*

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

23   \*       \*       \*

24       Section 2. R.S. 51:2365(F)(1)(d) and 2365.1 are hereby repealed in their entirety.

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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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HB 1015 Engrossed

2022 Regular Session

Schexnayder

**Abstract:** Makes changes to the Major Events Incentive Program and creates a separate grant program for certain events held in Louisiana.

Present law creates the Major Events Incentive Program to provide funding for specific major events and provides definitions for "endorsing municipality", "endorsing parish", "event support contract", "local organizing committee", "qualified major event", and "site selection organization".

Proposed law retains present law.

Present law requires the Dept. of Economic Development (LED) to administer the program.

Proposed law moves administration of the program to the lieutenant governor, through the Dept. of Culture, Recreation and Tourism.

Proposed law allows grants to be used to pay or reimburse the endorsing parish, endorsing municipality, or local organizing committee for the cost of applying or bidding for selection as the site of the event and for the costs of planning for or conducting the event.

Present law requires approval of the commissioner of administration and the Joint Legislative Committee on the Budget (JLCB) prior to the execution of any contract with a local organizing committee, endorsing parish, or endorsing municipality for a qualified major event.

Proposed law requires the lieutenant governor to submit an economic analysis to the state treasurer and to include in such analysis: (1) the designated area impacted by the occurrence of the qualified major event, (2) the total incremental increase in sales and use receipts in the designated area, (3) the total incremental increase in excise tax receipts in the designated area, and (4) the amount equal to 50% of the total incremental increases of the sales and use receipts and excise tax receipts.

Proposed law requires the treasurer to transfer 50% of both the total incremental sales and use receipts and the excise tax receipts from the general fund to the program fund immediately upon receipt of the economic analysis required pursuant to proposed law.

Proposed law requires the lieutenant governor to submit a written report to JLCB and include in such report the entities that received grant funding for events in the prior fiscal year, the economic impact of the events, and the amount of incremental tax revenue transferred to the fund as required by proposed law by Sept. 1 of each year.

Present law creates the Major Events Incentive Program Subfund as a subfund of the Louisiana Mega-Project Development Fund.

Proposed law changes the subfund to a separate fund of the state treasury and renames it the Major Events Incentives Fund.

Proposed law creates the Events Incentive Program to provide grant funding to eligible entities for costs associated with planning, marketing, and conducting events of area-wide,



statewide, regional, national, or international prominence with an economic impact greater than or equal to \$250,000.

Proposed law requires the lieutenant governor, through the Dept. of Culture, Recreation and Tourism, to administer the program.

Proposed law provides that a municipality, parish, or nonprofit corporation is eligible to receive up to 25% of the total cost incurred by the entity for the event, not to exceed \$250,000 per event.

Proposed law requires any application or documentation required by proposed law to be submitted no later than 180 days prior to the event to be considered.

Proposed law requires the lieutenant governor to promulgate rules to administer the program and to use the emergency rulemaking process for the promulgation of the initial administrative rule.

(Amends R.S. 51:2365(D)(3) and (F)(2); Adds R.S. 51:1260 and 1261; Repeals R.S. 51:2365(F)(1)(d) and 2365.1)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Remove LED from involvement with the program, including removal of references to LED throughout proposed law, and require the lieutenant governor to provide an economic analysis to the state treasurer and include certain criteria in the analysis.
2. Require the treasurer to transfer 50% of the incremental increase in sales and use and excise tax receipts to be paid from the general fund to the program fund established in proposed law immediately upon receiving the economic analysis.
3. Require the lieutenant governor to submit an annual report by Sept. 1 of each year which includes certain information regarding the program and to provide such report to JLCB.
4. Make nonprofit corporations eligible for funding through the program.
5. Require applications for funding be submitted by 180 days prior to the event.
6. Require the lieutenant governor to promulgate rules for administration of the program and use of the emergency rulemaking process to promulgate initial rules.
7. Make technical changes.