

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; to provide for  
7 an effective date; and to 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, endorsing parishes, official tourism commissions, convention and  
15 visitors bureaus, and official destination marketing organizations, for costs  
16 associated with attracting and hosting qualified major events as provided in this  
17 Section.

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

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

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

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

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

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

1           **(b) A parish that does not contain a site selected by a site selection**  
2           **organization for a qualified major 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           **(3) "Event support contract" or "event contract" means a joint undertaking,**  
5           **a joint agreement, or a similar contract executed by a local organizing committee, an**  
6           **endorsing municipality, an endorsing parish, official tourism commission,**  
7           **convention and visitors bureau, or official destination marketing organization, or any**  
8           **combination thereof, and a site selection organization.**

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

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

1 conference, convention, or conference media event, including conference media  
2 days. The term includes any activities related to or associated with a qualified major  
3 event.

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

5 (a) The National Football League, the National Collegiate Athletic  
6 Association or any affiliated conference, or any team or teams thereof, the National  
7 Basketball Association, the International World Games Association, or the United  
8 States Olympic Committee.

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

11 (c) The National Thoroughbred Racing Association.

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

13 (e) The United States Bowling Congress.

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

17 D. An entity shall be eligible to receive funding through the program only  
18 if all of the following apply:

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

20 (2) A site selection organization selects or has selected a site in Louisiana  
21 under either of the following circumstances:

22 (a) After holding a bidding or invitation selection process involving required  
23 terms and conditions that could be fulfilled by sites not located in Louisiana.

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

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

28 E. The lieutenant governor, through the Department of Culture, Recreation  
29 and Tourism, is hereby authorized to enter into a contract with a local organizing

1 committee, endorsing parish, endorsing municipality, official tourism commission,  
2 convention and visitors bureau, and official destination marketing organization to  
3 recruit, solicit, acquire, or organize for Louisiana any qualified major event that will  
4 have a significant positive impact in the state. The contract shall provide for a  
5 financial commitment to the entity.

6 F. Any grants received pursuant to this Section may be used for either of the  
7 following:

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

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

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

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

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

17 (3) The total incremental increase in excise tax receipts in the designated  
18 area.

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

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

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

1        §1261. Events Incentive Fund

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

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

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

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

16               B. There is hereby created the Events Incentive Program, hereinafter referred  
17       to in this Section as the "program", to be administered by the lieutenant governor,  
18       through the Department of Culture, Recreation and Tourism. The program shall  
19       provide grant funding to municipalities, parishes, official tourism commissions,  
20       convention and visitors bureaus, official destination marketing organizations, and  
21       nonprofit corporations hosting an event for costs associated with planning,  
22       marketing, and conducting events held in Louisiana.

23               C. An entity shall be eligible to receive funding through the program only  
24       if all of the following apply:

25               (1) The event is not a "qualified major event" as defined in R.S. 51:1260.

26               (2) The event is not held more than one time per year in Louisiana or any  
27       other state.

1           (3) The applicant submits the application and required documentation no  
2           later than one hundred eight days prior to the event. The documentation shall  
3           include:

4           (a) The total anticipated cost of the event.

5           (b) The amount and anticipated sources of funding for the event.

6           (c) An economic analysis indicating the event has an anticipated impact of  
7           three hundred fifty thousand dollars or greater to the state.

8           (d) A proposal for the utilization of the grant funding.

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

12          E. Any grants received pursuant to this Section event may be used for either  
13          of the following:

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

16          (2) To pay or reimburse the costs of planning, marketing, or conducting the  
17          event.

18          F. No later than September first of each year, the lieutenant governor shall  
19          submit an annual report on the program to the Joint Legislative Committee on the  
20          Budget. The report shall include the entities that received grant funding for events  
21          in the previous fiscal year pursuant to this Section and the economic impact of the  
22          events to the state, to the extent possible.

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



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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 Reengrossed

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, local organizing committee, official tourism commission, convention and visitors bureau, or official destination marketing organization 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 repeals present law.

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 Lt. 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 municipalities, parishes, official tourism commissions, convention and visitors bureaus, official destination marketing organizations, and nonprofit corporations hosting an event.

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

Proposed law provides for eligibility criteria and required documentation for events to receive funding through the program.

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

Proposed law provides that an entity is eligible to receive up to 25% of the total cost incurred by the entity for the event, not to exceed \$350,000 per event.

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

Effective July 1, 2022.

(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 lt. 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 lt. 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 lt. governor to promulgate rules for administration of the program and use of the emergency rulemaking process to promulgate initial rules.
7. Make technical changes.

#### The House Floor Amendments to the engrossed bill:

1. Include official tourism commissions, convention and visitors bureaus, and official destination marketing organizations as eligible grant recipients for the Major Events Incentive Program and the Events Incentive Program.

2. Change one of the qualifying criteria for a site selection committee to select a site in La. for an major qualified event.
3. Add required documentation for entities applying for the Events Incentive Program.
4. Increase the economic impact for an event to be eligible for the Events Incentive Program from \$250,000 to \$350,000.
5. Add language to transfer remaining funds from the Major Events Incentive Subfund to the Major Events Incentive Fund and contracts entered into with LED for the Major Events Incentive Program to the lt. governor.
6. Add an effective date of July 1, 2022.
7. Make technical changes.