

Substitute for HOUSE BILL No. 2346

By Committee on Commerce, Labor and Economic Development

Requested by John Monroe on behalf of Top Gun Events and Visit OP

3-19

1 AN ACT concerning economic development; establishing the Kansas
2 sports tourism grant program to be administered by the secretary of
3 commerce to provide matching grants to assist communities in
4 developing and continuing sporting events; providing for the funding of
5 such grants from the state economic development initiatives fund or
6 from the state general fund if funds are not available therefrom;
7 establishing the Kansas sports tourism program grant fund.
8

9 *Be it enacted by the Legislature of the State of Kansas:*

10 Section 1. There is hereby established the Kansas sports tourism grant
11 program, which shall be administered by the secretary of commerce. The
12 purpose of the Kansas sports tourism grant program shall be to provide
13 matching grants to tourism or sports-related organizations to support and
14 enhance sports tourism events held in Kansas, thereby assisting
15 communities to attract high quality sports tourism events that generate
16 significant economic impact through out-of-state guest and participant
17 spending. Such grants shall be awarded as a pledge conditioned on and
18 determined by analysis of post-event data and shall be matched on a \$1-
19 for-\$1 basis with funds from one or more sponsors, as provided by section
20 2, and amendments thereto. Such grants shall be awarded with the intent to
21 ease the financial burden that sports destinations experience when bidding
22 on and hosting sports tourism events and incentivize event owners to bring
23 events that are beneficial to the Kansas economy.

24 Sec. 2. (a) Applicants for a Kansas sports tourism grant shall submit
25 applications to the secretary of commerce in the form and manner as
26 determined by the secretary. The secretary may charge a fee for the
27 purpose of compensating the secretary for costs of administering the
28 program that shall be submitted with the application. Applicants shall
29 include information as required by the secretary, including, but not limited
30 to, the estimated economic impact and the number of hotel beds consumed
31 using the destinations international event impact calculator. The secretary
32 may assist a grant applicant in obtaining such information and using such
33 calculator. Applications shall include a written explanation of the
34 applicant's purpose in applying for the grant and how grant funding would
35 grow sports tourism in the applicant's community, region or the state.

1 (b) The secretary shall require that applicants who are event owners,
2 as determined by the secretary, to obtain grant sponsorship. The sports
3 commission, city commission, recreation commission, destination
4 marketing organization or municipality may be required by the secretary to
5 serve as a grant sponsor. Sports tourism events shall be held in Kansas to
6 be eligible for a grant. The event may be an existing recurring event or a
7 new planned event. The secretary shall reserve at least \$250,000 of the
8 available funds for grants for sports tourism events in counties other than
9 Sedgwick, Wyandotte and Johnson.

10 (c) (1) If the secretary determines that awarding a matching grant to
11 an applicant would further the purposes of the program and the applicant
12 meets the requirements as provided by this section, the secretary may
13 award a grant to the applicant on a matching \$1-to-\$1 basis to the funds
14 from the sponsor or sponsors. Grant awards shall be made as a pledge
15 conditioned on a post-event analysis and the grant funds provided after the
16 event.

17 (2) The final amount of the grant award shall be determined by the
18 secretary as provided by section 3, and amendments thereto. The
19 maximum grant amount shall be limited to not more than 12.5% of the
20 state sales tax generated from the local jurisdiction during the time period
21 of the event. The secretary of revenue shall provide aggregate sales tax
22 revenue information to the secretary of commerce upon request for the
23 purpose of determining the maximum grant amount. The final grant
24 amount, as determined by the secretary of commerce, shall be awarded
25 within 90 days after the event or at the time that the maximum grant
26 amount may be determined, whichever occurs later.

27 (d) The secretary shall not award grants for sports tourism events
28 directly involving the national basketball association, the national football
29 league, major league baseball, the national hockey league, major league
30 soccer, professional women's soccer, international sporting events,
31 including, but not limited to, men's professional soccer, established
32 resident Kansas professional sports entities, the Kansas state high school
33 activities association, private or public secondary schools or private or
34 public postsecondary colleges or universities. No grant funds shall be
35 awarded for any sports tourism event for reimbursement or payment for
36 services or goods that are not competitively bid.

37 Sec. 3. (a) The final amount of the grant shall be determined after the
38 sports tourism event by the secretary of commerce upon review of the
39 post-event report required by section 4, and amendments thereto, the
40 actual expenses of the event as provided by subsection (c), verified
41 economic impact and hotel night bookings generated by the event and the
42 application of the following table. The final amount shall be limited by the
43 maximum grant award determined pursuant to section 2, and amendments

thereto. The secretary shall use the destinations international event impact calculator to determine the actual economic impact and hotel night bookings generated by the sports tourism event. The secretary may award a sports tourism event that meets an economic impact and consumed hotel nights level threshold, as provided by the table in subsection (b), a grant amount of up to the amount allowed for the next higher economic impact and consumed hotel nights requirements threshold as set forth in such table.

(b) The secretary shall allocate sports tourism grant program funds for grants in each fiscal year to the sports tourism events within the state that generate verified economic impacts as provided by the following table:

Total Grant Allocation	State Allocation	Sponsor Allocation	Economic Impact	Hotel Night Minimum
\$2,031	\$1,015.50	\$1,015.50	\$125,000	250
\$4,063	\$2,031.50	\$2,031.50	\$250,000	500
\$8,123	\$4,061.50	\$4,061.50	\$500,000	750
\$12,188	\$6,094.00	\$6,094.00	\$750,000	1,000
\$16,250	\$8,125.00	\$8,125.00	\$1,000,000	1,250
\$24,375	\$12,187.50	\$12,187.50	\$1,500,000	1,500
\$32,500	\$16,250.00	\$16,250.00	\$2,000,000	1,750
\$40,625	\$20,312.50	\$20,312.50	\$2,500,000	2,000
\$48,750	\$24,375.00	\$24,375.00	\$3,000,000	2,250
\$56,875	\$28,437.50	\$28,437.50	\$3,500,000	2,500
\$65,000	\$32,500.00	\$32,500.00	\$4,000,000	3,000
\$73,125	\$36,562.50	\$36,562.50	\$4,500,000	3,500
\$81,250	\$40,625.00	\$40,625.00	\$5,000,000	4,000
\$89,375	\$44,687.50	\$44,687.50	\$5,500,000	4,500
\$97,500	\$48,750.00	\$48,750.00	\$6,000,000	5,000
\$105,625	\$52,812.50	\$52,812.50	\$6,500,000	5,500
\$113,750	\$56,875.00	\$56,875.00	\$7,000,000	6,000
\$121,875	\$60,937.50	\$60,937.50	\$7,500,000	6,500
\$130,000	\$65,000.00	\$65,000.00	\$8,000,000	7,000
\$138,125	\$69,062.50	\$69,062.50	\$8,500,000	7,500

(c) Grant funds shall be used for expenses identified in the application and approved by the secretary.

(1) Expenses allowed by the secretary may include:

- (A) Official's travel and housing;
- (B) promotions and marketing;
- (C) site fees, fees for use of rights or sanction fees;
- (D) renting equipment or flooring that is required to produce the event; or
- (E) funds for supporting a bid effort, if the applicant is the bid winner.

1 (2) The secretary shall not allow the use of grant funds for the
2 following expenses:

3 (A) Building, renovating or remodeling of a facility or purchasing
4 permanent equipment;

5 (B) debts incurred by the applicant prior to the pledge of the grant;

6 (C) printed programs that solicit advertising;

7 (D) hospitality or social functions for events outside the sporting
8 events venue that include alcohol; or

9 (E) expenses for travel outside of the county hosting the sports
10 tourism event.

11 Sec. 4. As a condition of receiving a grant, an applicant shall agree to
12 provide a post-event report to the secretary of commerce. Such report shall
13 include:

14 (a) An economic impact report, including the:

15 (1) Sports tourism event name;

16 (2) location of the event;

17 (3) start and end dates of the event;

18 (4) the total number of hotel nights consumed in the local or regional
19 Kansas market; and

20 (5) such other information or data as may be required by the secretary
21 for the purposes of:

22 (A) Determining the economic impact of the event; and

23 (B) preparing the secretary's report to the legislature pursuant to
24 section 6, and amendments thereto; and

25 (b) an expense report, including proof of payment of eligible
26 expenses equal to at least the amount of the grant. Accepted forms of proof
27 of payment may include itemized credit card receipts, invoices with
28 canceled checks or credit card statements.

29 Sec. 5. (a) There is hereby established in the state treasury the Kansas
30 sports tourism program grant fund, which shall be administered by the
31 secretary of commerce. All moneys credited to the Kansas sports tourism
32 program grant fund shall be used by the Kansas department of commerce
33 for Kansas sports tourism program grants to applicants approved by the
34 secretary pursuant to the provisions of sections 1 through 4, and
35 amendments thereto. All expenditures from the Kansas sports tourism
36 program grant fund shall be made in accordance with appropriation acts
37 upon warrants of the director of accounts and reports issued pursuant to
38 vouchers approved by the secretary of commerce or the secretary's
39 designee.

40 (b) (1) Subject to appropriations therefor, on July 1, 2025, or as soon
41 thereafter as moneys are available, the director of accounts and reports
42 shall transfer \$1,500,000 from the state economic development initiatives
43 fund, established by K.S.A. 79-4804, and amendments thereto, to the

1 Kansas sports tourism program grant fund. If sufficient funds are not
2 available to cover such transfer, the secretary of commerce and the director
3 of the budget shall jointly certify the amount of such insufficient funds to
4 the director of accounts and reports and transmit a copy of such
5 certification to the director of legislative research. Upon receipt of such
6 certification, the director of accounts and reports shall transfer such
7 certified amount from the state general fund to the Kansas sports tourism
8 program grant fund. Such transfers shall be subject to appropriation acts.

9 (2) Subject to appropriations therefor, on July 1, 2026, and each July
10 1 thereafter, the secretary of commerce shall certify the amount of
11 unencumbered funds in the Kansas sports tourism program grant fund to
12 the director of accounts and reports. Upon receipt of such certification, or
13 as soon thereafter as moneys are available, if the amount certified by the
14 secretary of commerce is less than \$1,500,000, the director of accounts
15 and reports shall transfer the amount that results in the amount of
16 unencumbered funds in the Kansas sports tourism program grant fund
17 being equal to \$1,500,000 immediately subsequent to such transfer from
18 the state economic development initiatives fund, established by K.S.A. 79-
19 4804, and amendments thereto, to the Kansas sports tourism program grant
20 fund. If sufficient funds are not available to cover such transfer, the
21 secretary of commerce and the director of the budget shall jointly certify
22 the amount of such insufficient funds to the director of accounts and
23 reports and transmit a copy of such certification to the director of
24 legislative research. Upon receipt of such certification, the director of
25 accounts and reports shall transfer such certified amount from the state
26 general fund to the Kansas sports tourism program grant fund. Such
27 transfers shall be subject to appropriation acts.

28 (c) Subject to appropriations, the aggregate total of grants awarded by
29 the secretary each fiscal year shall be limited to \$1,500,000.

30 Sec. 6. The secretary of commerce shall submit an annual report to
31 the house of representatives committee on commerce, labor and economic
32 development, the senate committee on commerce and the legislative
33 coordinating council on or before December 31, 2026, and December 31
34 of each year thereafter through December 31, 2030, that shall include the
35 following information for the fiscal year ending on the previous June 30
36 and all information available up to the date of the report:

37 (a) The number of grants awarded;

38 (b) the economic impact generated in the aggregate and by each
39 sports tourism event;

40 (c) the number of hotel nights booked in Kansas in the aggregate and
41 by locality and region for each sports tourism event;

42 (d) the total grant funds distributed and the grant recipients and
43 sponsors for each event;

- 1 (e) the distribution of grant funds by county;
- 2 (f) for each event, the amount of state sales tax generated from the
- 3 local jurisdiction during the event and the amount of state sales tax
- 4 generated from such jurisdiction during the same time period in the
- 5 previous year;
- 6 (g) the amount of local sales tax generated during the event;
- 7 (h) the amount of transient guest tax generated during the event; and
- 8 (i) qualified applicants and events not approved by the secretary.
- 9 Sec. 7. (a) The provisions of sections 1 through 6, and amendments
- 10 thereto, shall expire on June 30, 2030.
- 11 (b) On July 1, 2030:
- 12 (1) The director of accounts and reports shall transfer all moneys in
- 13 the Kansas sports tourism program grant fund to the state general fund;
- 14 (2) all liabilities of the Kansas sports tourism program grant fund
- 15 shall be transferred to and imposed on the state general fund; and
- 16 (3) the Kansas sports tourism program grant fund shall be abolished.
- 17 Sec. 8. This act shall take effect and be in force from and after its
- 18 publication in the statute book.