

**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. **Applications shall be submitted at least 90**  
27 **days before the sports tourism event.** The secretary may charge a fee of  
28 **up to \$100** for the purpose of compensating the secretary for costs of  
29 administering the program that shall be submitted with the application.  
30 Applicants shall include information as required by the secretary,  
31 including, but not limited to, the estimated economic impact and the  
32 number of hotel beds consumed using the destinations international event  
33 impact calculator. The secretary may assist a grant applicant in obtaining

1 such information and using such calculator. Applications shall include a  
2 written explanation of the applicant's purpose in applying for the grant and  
3 how grant funding would grow sports tourism in the applicant's  
4 community, region or the state.

5 (b) The secretary shall require that applicants who are event owners,  
6 as determined by the secretary, to obtain grant sponsorship. ~~The sports~~  
7 ~~commission, city commission, recreation commission, destination~~  
8 ~~marketing organization or municipality may be required by the secretary to~~  
9 ~~serve as a grant sponsor~~ **from the community's official destination**  
10 **marketing organization. If the community does not have an official**  
11 **destination marketing organization, the city's sports commission shall**  
12 **serve as sponsor. If the city does not have an official destination**  
13 **marketing organization or a sports commission, the city department**  
14 **that serves in the lead tourism advocacy role for the community shall**  
15 **serve as the sponsor.** Sports tourism events shall be held in Kansas to be  
16 eligible for a grant. The event may be an existing recurring event or a new  
17 planned event. The secretary shall reserve at least \$250,000 of the  
18 available funds for grants for sports tourism events in counties other than  
19 Sedgwick, Wyandotte and Johnson.

20 (c) (1) If the secretary determines that awarding a matching grant to  
21 an applicant would further the purposes of the program and the applicant  
22 meets the requirements as provided by this section, the secretary may  
23 award a grant to the applicant on a matching \$1-to-\$1 basis to the funds  
24 from the sponsor or sponsors. Grant awards shall be made as a pledge  
25 conditioned on a post-event analysis and the grant funds provided after the  
26 event. **The secretary shall make such determination and respond to the**  
27 **applicant with any proposed grant award within 45 days of the date of**  
28 **the application's submission.**

29 (2) The final amount of the grant award shall be determined by the  
30 secretary as provided by section 3, and amendments thereto. The  
31 maximum grant amount shall be limited to not more than 12.5% of the  
32 state sales tax generated from the local jurisdiction during the time period  
33 of the event. The secretary of revenue shall provide aggregate sales tax  
34 revenue information to the secretary of commerce upon request for the  
35 purpose of determining the maximum grant amount. The final grant  
36 amount, as determined by the secretary of commerce, shall be awarded  
37 within 90 days after the event or at the time that the maximum grant  
38 amount may be determined, whichever occurs later.

39 (d) (1) **Except as provided in paragraph (2),** the secretary shall not  
40 award grants for sports tourism events directly involving the **national**  
41 **association for stock car auto racing,** national basketball association, the  
42 national football league, major league baseball, the national hockey  
43 league, major league soccer, professional women's soccer, international

1 sporting events, including, but not limited to, men's professional soccer,  
 2 established resident Kansas professional sports entities, the Kansas state  
 3 high school activities association, private or public secondary schools or  
 4 private or public postsecondary colleges or universities.

5 **(2) The secretary may award grants for exhibition games by**  
 6 **teams from major professional sports leagues.**

7 **(3)** No grant funds shall be awarded for any sports tourism event for  
 8 reimbursement or payment for services or goods that are not competitively  
 9 bid.

10 Sec. 3. (a) The final amount of the grant shall be determined after the  
 11 sports tourism event by the secretary of commerce upon review of the  
 12 post-event report required by section 4, and amendments thereto, the  
 13 actual expenses of the event as provided by subsection (c), verified  
 14 economic impact and hotel night bookings generated by the event and the  
 15 application of the following table. The final amount shall be limited by the  
 16 maximum grant award determined pursuant to section 2, and amendments  
 17 thereto. The secretary shall use the destinations international event impact  
 18 calculator to determine the actual economic impact and hotel night  
 19 bookings generated by the sports tourism event. The secretary may award  
 20 a sports tourism event that meets an economic impact and consumed hotel  
 21 nights level threshold, as provided by the table in subsection (b), a grant  
 22 amount of up to the amount allowed for the next higher economic impact  
 23 and consumed hotel nights requirements threshold as set forth in such  
 24 table.

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

29 Total Grant	State	Sponsor	Economic	Hotel Night
30 Allocation	Allocation	Allocation	Impact	Minimum
31 \$2,031	\$1,015.50	\$1,015.50	\$125,000	250
32 \$4,063	\$2,031.50	\$2,031.50	\$250,000	500
33 \$8,123	\$4,061.50	\$4,061.50	\$500,000	750
34 \$12,188	\$6,094.00	\$6,094.00	\$750,000	1,000
35 \$16,250	\$8,125.00	\$8,125.00	\$1,000,000	1,250
36 \$24,375	\$12,187.50	\$12,187.50	\$1,500,000	1,500
37 \$32,500	\$16,250.00	\$16,250.00	\$2,000,000	1,750
38 \$40,625	\$20,312.50	\$20,312.50	\$2,500,000	2,000
39 \$48,750	\$24,375.00	\$24,375.00	\$3,000,000	2,250
40 \$56,875	\$28,437.50	\$28,437.50	\$3,500,000	2,500
41 \$65,000	\$32,500.00	\$32,500.00	\$4,000,000	3,000
42 \$73,125	\$36,562.50	\$36,562.50	\$4,500,000	3,500
43 \$81,250	\$40,625.00	\$40,625.00	\$5,000,000	4,000

1	\$89,375	\$44,687.50	\$44,687.50	\$5,500,000	4,500
2	\$97,500	\$48,750.00	\$48,750.00	\$6,000,000	5,000
3	\$105,625	\$52,812.50	\$52,812.50	\$6,500,000	5,500
4	\$113,750	\$56,875.00	\$56,875.00	\$7,000,000	6,000
5	\$121,875	\$60,937.50	\$60,937.50	\$7,500,000	6,500
6	\$130,000	\$65,000.00	\$65,000.00	\$8,000,000	7,000
7	\$138,125	\$69,062.50	\$69,062.50	\$8,500,000	7,500

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

10 (1) Expenses allowed by the secretary may include:

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

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

- 19 (A) Building, renovating or remodeling of a facility or purchasing  
 20 permanent equipment;
- 21 (B) debts incurred by the applicant prior to the pledge of the grant;
- 22 (C) printed programs that solicit advertising;
- 23 (D) hospitality or social functions for events outside the sporting  
 24 events venue that include alcohol; or
- 25 (E) expenses for travel outside of the county hosting the sports  
 26 tourism event.

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

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

- 31 (1) Sports tourism event name;
- 32 (2) location of the event;
- 33 (3) start and end dates of the event;
- 34 (4) the total number of hotel nights consumed in the local or regional  
 35 Kansas market; and

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

- 38 (A) Determining the economic impact of the event; and
- 39 (B) preparing the secretary's report to the legislature pursuant to  
 40 section 6, and amendments thereto; and

41 (b) an expense report, including proof of payment of eligible  
 42 expenses equal to at least the amount of the grant. Accepted forms of proof  
 43 of payment may include itemized credit-~~card~~ {card} receipts, invoices with

1 canceled checks or credit ~~care~~ **{card}** statements.

2 Sec. 5. (a) There is hereby established in the state treasury the Kansas  
3 sports tourism program grant fund, which shall be administered by the  
4 secretary of commerce. All moneys credited to the Kansas sports tourism  
5 program grant fund shall be used by the Kansas department of commerce  
6 for Kansas sports tourism program grants to applicants approved by the  
7 secretary pursuant to the provisions of sections 1 through 4, and  
8 amendments thereto. All expenditures from the Kansas sports tourism  
9 program grant fund shall be made in accordance with appropriation acts  
10 upon warrants of the director of accounts and reports issued pursuant to  
11 vouchers approved by the secretary of commerce or the secretary's  
12 designee.

13 (b) (1) Subject to appropriations therefor, on July 1, ~~2025~~ **{2026}**, or  
14 as soon thereafter as moneys are available, the director of accounts and  
15 reports shall transfer \$1,500,000 from the state economic development  
16 initiatives fund, established by K.S.A. 79-4804, and amendments thereto,  
17 to the Kansas sports tourism program grant fund. If sufficient funds are not  
18 available to cover such transfer, the secretary of commerce and the director  
19 of the budget shall jointly certify the amount of such insufficient funds to  
20 the director of accounts and reports and transmit a copy of such  
21 certification to the director of legislative research. Upon receipt of such  
22 certification, the director of accounts and reports shall transfer such  
23 certified amount from the state general fund to the Kansas sports tourism  
24 program grant fund. Such transfers shall be subject to appropriation acts.

25 (2) Subject to appropriations therefor, on July 1, ~~2026~~ **{2027}**, and  
26 each July 1 thereafter, the secretary of commerce shall certify the amount  
27 of unencumbered funds in the Kansas sports tourism program grant fund to  
28 the director of accounts and reports. Upon receipt of such certification, or  
29 as soon thereafter as moneys are available, if the amount certified by the  
30 secretary of commerce is less than \$1,500,000, the director of accounts  
31 and reports shall transfer the amount that results in the amount of  
32 unencumbered funds in the Kansas sports tourism program grant fund  
33 being equal to \$1,500,000 immediately subsequent to such transfer from  
34 the state economic development initiatives fund, established by K.S.A. 79-  
35 4804, and amendments thereto, to the Kansas sports tourism program grant  
36 fund. If sufficient funds are not available to cover such transfer, the  
37 secretary of commerce and the director of the budget shall jointly certify  
38 the amount of such insufficient funds to the director of accounts and  
39 reports and transmit a copy of such certification to the director of  
40 legislative research. Upon receipt of such certification, the director of  
41 accounts and reports shall transfer such certified amount from the state  
42 general fund to the Kansas sports tourism program grant fund. Such  
43 transfers shall be subject to appropriation acts.

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

3 Sec. 6. The secretary of commerce shall submit an annual report to  
4 the house of representatives committee on commerce, labor and economic  
5 development, the senate committee on commerce and the legislative  
6 coordinating council on or before December 31, 2026, and December 31  
7 of each year thereafter through December 31, ~~2030~~{2031}, that shall  
8 include the following information for the fiscal year ending on the  
9 previous June 30 and all information available up to the date of the report:

10 (a) The number of grants awarded;

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

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

15 (d) the total grant funds distributed and the grant recipients and  
16 sponsors for each event;

17 (e) the distribution of grant funds by county;

18 (f) for each event, the amount of state sales tax generated from the  
19 local jurisdiction during the event and the amount of state sales tax  
20 generated from such jurisdiction during the same time period in the  
21 previous year;

22 (g) the amount of local sales tax generated during the event;

23 (h) the amount of transient guest tax generated during the event; and

24 (i) qualified applicants and events not approved by the secretary.

25 Sec. 7. (a) **{Except for the report requirement pursuant to section**  
26 **6, and amendments thereto,}** the provisions of sections 1 through 6, and  
27 amendments thereto, shall expire on June 30, ~~2030~~ 2031.

28 (b) On July 1, ~~2030~~ 2031:

29 (1) The director of accounts and reports shall transfer all moneys in  
30 the Kansas sports tourism program grant fund to the state general fund;

31 (2) all liabilities of the Kansas sports tourism program grant fund  
32 shall be transferred to and imposed on the state general fund; and

33 (3) the Kansas sports tourism program grant fund shall be abolished.

34 Sec. 8. This act shall take effect and be in force from and after its  
35 publication in the statute book.