

H.F. 4949

As amended by H4949A2 and
H4949A3

Subject Sports and events reimbursement program established

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Overview

The bill creates a sports and events reimbursement program account in the special revenue fund. The program provides reimbursement to a local organizing committee for the following expenses related to attracting and conducting major events in the state:

- costs of preparations necessary for conducting an event; and
- costs of conducting the event, including improvements to existing facilities or acquisition of new facilities to host the event.

Local organizing committees must apply to the commissioner of revenue to receive funding.

Tax revenue deposited into the sports and events reimbursement program account would come from the incremental increase in revenues from the following taxes attributable to sporting events held in the state: sales tax (6.5 percent portion only), motor vehicle rental tax, retail delivery fee, individual income tax, corporate franchise tax, liquor gross receipts tax, and cannabis gross receipts tax.

Following each eligible event, a local organizing committee must submit a request to the University of Minnesota, or other entity who will estimate the incremental increase in tax revenue. The university then notifies the commissioner of revenue who will transfer funds into the new account. Funds must be disbursed to the local organizing committee within 30 days of the university's determination.

Summary

Section	Description
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1	Sports and events reimbursement program.
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Subd. 1. Definitions. Provides definitions used within this section. The term “event” provides a listing of particular named events or categories of events eligible for funding under the program.

Subd. 2. Sports and events reimbursement program account. Creates a sports and events reimbursement program account. Provides that money in the account is appropriated to the commissioner of revenue for the purposes of this section.

Subd. 3. Events eligible for funding. Specifies that only an event listed in the definition of “event” under subdivision 1 is eligible for program funding. Requires that an event may receive funding if it meets the following three requirements:

- a site selection organization chooses a site in Minnesota for the event onetime, or once per year;
- a site selection organization chooses a site in Minnesota as the only site for the event or the only site in a region consisting of states immediately adjacent to Minnesota; and
- the event is held only one time per year.

Subd. 4. Administration of program. Requires a local organizing committee to submit an application, including event eligibility certification and site selection documentation, to the commissioner of revenue before a determination is made.

Subd. 5. Allowable expenses. Allows money in the account to be used for payment of costs related to event preparations and conducting the event, including costs to improve or renovate an existing facility and the costs to acquire or construct a facility.

Subd. 6. Rulemaking. Authorizes the commissioner of revenue to adopt rules to implement this section.

Subd. 7. Reporting. Requires a local organizing committee to provide certain information to the commissioner of revenue including:

- audited financial statements required by the site selection organization; and
- attendance and economic impact data.

Section	Description
	Following an event, requires a local organizing committee to provide certain information about the event, such as attendance, financial information, or other public information requested by the commissioner of revenue.
2	<p>Deposit of revenues; sports and events reimbursement program account.</p> <p>Requires the commissioner of revenue to deposit retail delivery fee revenues directly attributable to an event as determined under section 4 in the sports and events reimbursement program account (“account”).</p> <p>Effective the day following final enactment.</p>
3	<p>Deposits.</p> <p>Adds a reference to the deposit in section 2 to the statute requiring deposit of retail delivery fee revenues.</p> <p>Effective the day following final enactment.</p>
4	<p>Calculation and deposit of revenues to the sports and events reimbursement program account.</p> <p>Subd. 1. Definitions. Defines “event,” “local organizing committee,” and “site selection organization” to reference those terms as defined in section 1. Defines “university” as the University of Minnesota.</p> <p>Subd. 2. Determination of incremental increase in tax receipts. Requires a local organizing committee, after an event, to request a determination of the amount of incremental increase in tax revenues that are directly attributable to an event. Within ten days of the conclusion of the event, and using information provided by a local organizing committee, the university must commence an estimate of the incremental increase in revenues for the one-year period that begins two months before the beginning date of an event. Requires revenues from the state sales tax, rental motor vehicle fee, liquor gross receipts tax, cannabis gross receipts tax, retail delivery fee, and income and corporate franchise taxes to be included in the calculation. If the university is unable to make a determination, a local organizing committee may make a request to a third-party entity as defined in subdivision 1 for the determination.</p> <p>Subd. 3. Deposit of revenues. Requires the commissioner of revenue to deposit the amount of incremental increase determined under subdivision 2 to the local organizing committee, to be used for allowable expenses as defined in section 1.</p> <p>Effective the day following final enactment.</p>

Section	Description
5	<p>Distribution of revenues.</p> <p>Adds a reference to the distribution in section 6 for income and corporate franchise tax revenues.</p> <p>Effective the day following final enactment.</p>
6	<p>Deposit of revenues; sports and events reimbursement program account.</p> <p>Requires the commissioner of revenue to deposit income and corporate franchise tax revenues directly attributable to an event as determined under section 4 in the account.</p> <p>Effective the day following final enactment.</p>
7	<p>Deposit of revenues; sports and events reimbursement program account.</p> <p>Requires the commissioner of revenue to deposit liquor gross receipts tax revenues directly attributable to an event as determined under section 4 in the account.</p> <p>Effective the day following final enactment.</p>
8	<p>Deposit of revenues; account established.</p> <p>Adds a reference to the distribution in section 7 for liquor gross receipts tax revenues.</p> <p>Effective the day following final enactment.</p>
9	<p>Deposit of revenues; sports and events reimbursement program account.</p> <p>Requires the commissioner of revenue to deposit cannabis gross receipts tax revenues directly attributable to an event as determined under section 4 in the account.</p> <p>Effective the day following final enactment.</p>
10	<p>Deposit of revenues.</p> <p>Requires the commissioner of revenue to deposit sales and motor vehicle rental fee revenues directly attributable to an event as determined under section 4 in the account.</p> <p>Effective the day following final enactment.</p>



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