Session of 2025

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

2-7

AN ACT concerning economic development; establishing the Kansas sports tourism grant program administered by the secretary of commerce to provide grants to assist communities in developing and continuing sporting events; creating the Kansas sports tourism grant committee to review and determine grant awards; providing for funding of such grants from the state economic development initiatives fund; establishing the Kansas sports tourism program grant fund.

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

Section 1. There is hereby established the Kansas sports tourism grant program, to be administered by the secretary of commerce and the sports tourism grant committee, established by section 2, and amendments thereto. The purpose of the Kansas sports tourism grant program shall be to provide grants to tourism or sports-related organizations to support and enhance sports tourism events held in Kansas, thereby assisting communities to attract high quality sports events that generate significant economic impact through out-of-state guest and participant spending.

Sec. 2. (a) There is hereby established the Kansas sports tourism grant committee. The membership of the committee shall be as follows:

(1) The chairperson of the house of representatives committee on commerce, labor and economic development;

(2) the chairperson of the senate committee on commerce;

(3) one member to be appointed by the governor;

(4) one member to be appointed by the president of the senate;

(5) one member to be appointed by the speaker of the house of representatives;

(6) one member to be appointed by the minority leader of the senate; and

(7) one member to be appointed by the minority leader of the house of representatives.

(b) The chairperson of the house of representatives committee on commerce, labor and economic development shall serve as the chairperson of the committee in odd-numbered years. The chairperson of the senate committee on commerce shall serve as chairperson in even-numbered

years. Nonlegislative members shall serve terms of four years and may be reappointed by the appointing authority. Members who are legislators shall serve for the length of their term as a legislator and may be reappointed by the appointing authority. Members may be replaced at any time by the appointing authority. Any vacancy shall be filled in the same manner as the original appointment. A quorum of the committee shall be four members. All decisions of the committee shall be by majority vote when a quorum is present. The secretary shall provide an employee of the department to act as the secretary for the committee and keep record of the minutes of the committee. Committee deliberations or portions thereof when considering grant applications shall be closed and not open to the public at the discretion of the chairperson. Such deliberations when closed shall be considered discussions relating to financial affairs or trade secrets pursuant to K.S.A. 75-4319(b)(4), and amendments thereto. Any vote by the committee on a grant application shall be open to the public.

(c) The committee shall oversee the Kansas sport tourism grant program in collaboration with the secretary of commerce. The committee shall review grant applications for Kansas sport tourism grants and determine recipients of such grants. The secretary shall award grants approved by the committee as provided by this act.

(d) The committee shall meet at least monthly, at a time and place to be determined by the chairperson upon consideration of convenience and availability of the members. The secretary of commerce shall provide meeting facilities and administrative support to the committee as necessary. The secretary shall also provide or facilitate the provision of information to the committee as necessary to enable the committee to make informed decisions on grant awards.

(e) The committee shall allocate 60% of the total funds available for grants in each year to sporting events within the state that the committee determines will generate a minimum of $2.5 million in economic impact and 3,000 consumed hotel room nights. The committee shall allocate 40% of the total funds available for grants in each fiscal year to events that generate a minimum of $250,000 in economic impact or a minimum of 500 consumed hotel room nights. To ensure that the impact of the sports tourism grant program is realized statewide, 30% of the 40% allocated to events generating a minimum of $250,000 or 500 hotel room nights consumed shall be allocated to grant applicants for projects in counties other than Johnson, Wyandotte and Sedgwick counties. The committee shall not award grants to projects involving the national basketball association, national football league, major league baseball, national hockey league, major league soccer, professional women's soccer or established Kansas residential professional sports entities.

(f) The committee shall determine and approve the amount of a grant

and use of the grant funds for expenses listed in the grant application as allowed by the committee. In reviewing and considering the award of grants, the committee shall apply the application criteria set forth in section 3, and amendments thereto.

(g) The committee shall award grants with the intent to ease the financial burden sports destinations experience when bidding on and hosting sports events and incentivize event owners to bring events that are beneficial to the Kansas economy.

(h) The committee shall not routinely award grants for the purpose of meeting operational expenses for an event that is repeated annually. However, the committee shall give consideration to annual events that may be moved out of Kansas because of a lack of financial support. When considering grants for such events, the committee shall consider the circumstances of any competitive bid process involving other out-of-state locations.

Sec. 3. (a) Applicants for a Kansas sports tourism grant shall submit applications to the secretary of commerce in the form and manner as determined by the secretary. The secretary shall administer and coordinate the grant program and communicate with grant applicants through the application, grant award and post-award report process. The secretary shall provide grant applications submitted to the secretary to the Kansas sports tourism grant committee, established by section 2, and amendments thereto, for review. Upon a decision by the committee to award a grant, the secretary shall authorize and disburse the grant funds as awarded by the committee to a successful applicant from the Kansas sports tourism program grant fund, established by section 5, and amendments thereto, as provided by this act.

(b) The committee shall consider the goals and purposes of the grant program as provided in sections 1 and 2, and amendments thereto, when reviewing and determining grant awards. The committee shall in addition apply the requirements, factors and limitations applicable to grant applications and use of grant funds set forth in this section. The secretary shall assist the committee in determining whether an application meets economic impact requirements as set forth in this section, including aiding the committee in utilizing the destinations international event impact calculator.

(c) The committee shall require that applicants obtain grant sponsorship as further provided by this section. All events shall be held in Kansas to be eligible for a grant. The event may be an existing recurring event or a new planned event.

(d) For consideration by the committee, applications shall be thorough and complete and include all necessary attachments as requested by the secretary and the committee. Incomplete applications or an absence

of required attachments shall not be reviewed. The committee may request additional information prior to making a decision. Decisions by the committee shall be final.

(e) Applications shall include a written explanation of the applicant's purpose in applying for the grant and how grant funding would grow sports tourism in the applicant's community, region or the state. Applications accompanied by letters of support, especially from a grant sponsor, may receive greater consideration by the committee.

(f) If the committee denies a grant to an applicant for an event, the applicant shall not reapply for the same event in the same year.

(g) If the applicant is an event owner, the sports commission and direct marketing organization in the community hosting the event shall be required to serve as a grant sponsor. The grant sponsor shall prove tax-exempt status by submitting a copy of the determination letter issued to the grant sponsor's customer by the internal revenue service, officially recognizing the customer corporation's tax-exempt status under 501(c)3 or 501(c)6 of the United States internal revenue code.

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

(1) Expenses allowed by the committee may include:

(A) Officials' travel and housing;

(B) promotions and marketing;

(C) site fees, fees for use of rights and sanction fees;

(D) renting equipment or flooring that is required to produce the event; and

(E) funds for supporting a bid effort, if the applicant is the bid winner.

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

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

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

(C) printed programs that solicit advertising;

(D) hospitality or social functions for events outside the sports event venue that include alcohol; and

(E) expenses for travel outside of the county hosting the competition.

(i) The maximum grant award shall be limited to $150,000 per event for a sporting event that the committee determines will generate at least $4 million in economic impact and a minimum of 4,500 consumed hotel room nights in the local or regional Kansas market.

(j) The maximum grant award amount shall be limited to $100,000 per event for a sporting event that the committee determines will generate at least $2.5 million in direct economic impact and a minimum of 3,000 consumed hotel room nights in the local or regional Kansas market.

(k) The maximum grant award amount shall be limited to $50,000 per event for a sporting event that the committee determines will generate at least $250,000 in economic impact or generate a minimum of 500 room nights consumed in the local or regional Kansas market.

Sec. 4. (a) As a condition of receiving a grant, an applicant shall agree to provide a post-event report. Such report shall include:

(1) An economic impact report including:

(A) The event name;

(B) the location of the event;

(C) the start date of the event;

(D) the end date of the event;

(E) the event type;

(F) the sport or sports;

(G) information regarding an elimination tournament, if any;

(H) the number of overnight visitors;

(I) the number of day visitors, if available;

(J) the total number of hotel rooms consumed in the local or regional Kansas market;

(K) the average nightly room rate;

(L) the average number of persons per room;

(M) the local sales tax rate; and

(N) the lodging tax rate;

(2) A report of expenses incurred by the organizer of the event, including expenses for:

(A) Facility rental;

(B) internet web page, website or access;

(C) security;

(D) food and beverage;

(E) audio visual;

(F) referees;

(G) trainers; and

(H) any identified additional expenses.

(b) The expense report shall include proof of payment of expenses equal to at least the amount of the grant. Accepted forms of proof of payment shall include itemized credit card receipts, invoices with canceled checks or credit card statements.

(c) With the assistance of a grant sponsor or the secretary of commerce, the event owner shall provide an economic impact report produced by the destinations international event impact calculator using event data and attach it to the post event report.

(d) The applicant shall include a written explanation of the event outcomes and any differences from the projected numbers, challenges and successes, the impact on the community, and any future event plans with

the community or any holder of rights.

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

(b) On July 1, 2025, and each July 1 thereafter, or when moneys are available, the director of accounts and reports shall transfer $3,575,000 from the state economic development initiatives fund, established by K.S.A. 79-4804, and amendments thereto, to the Kansas sports tourism program grant fund.

(c) The aggregate total of grants awarded each fiscal year shall be limited to $3,575,000.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.