*Session of 2025*

# 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

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

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

Section 1. There is hereby established the Kansas sports tourism grant program, which shall be administered by the secretary of commerce. The purpose of the Kansas sports tourism grant program shall be to provide matching 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 tourism events that generate significant economic impact through out-of-state guest and participant spending. Such grants shall be awarded as a pledge conditioned on and determined by analysis of post-event data and shall be matched on a $1-for-$1 basis with funds from one or more sponsors, as provided by section 2, and amendments thereto. Such grants shall be awarded with the intent to ease the financial burden that sports destinations experience when bidding on and hosting sports tourism events and incentivize event owners to bring events that are beneficial to the Kansas economy.

Sec. 2. (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 may charge a fee for the purpose of compensating the secretary for costs of administering the program that shall be submitted with the application. Applicants shall include information as required by the secretary, including, but not limited to, the estimated economic impact and the number of hotel beds consumed using the destinations international event impact calculator. The secretary may assist a grant applicant in obtaining such information and using such calculator. 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.

(b) The secretary shall require that applicants who are event owners, as determined by the secretary, to obtain grant sponsorship. The sports commission, city commission, recreation commission, destination marketing organization or municipality may be required by the secretary to serve as a grant sponsor. Sports tourism 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. The secretary shall reserve at least $250,000 of the available funds for grants for sports tourism events in counties other than Sedgwick, Wyandotte and Johnson.

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

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

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

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

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

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

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

(C) printed programs that solicit advertising;

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

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

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

(a) An economic impact report, including the:

(1) Sports tourism event name;

(2) location of the event;

(3) start and end dates of the event;

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

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

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

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

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

Sec. 5. (a) There is hereby established in the state treasury the Kansas sports tourism program grant fund, which shall 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 secretary pursuant to the provisions of sections 1 through 4, 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) (1) Subject to appropriations therefor, on July 1, 2025, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer $1,500,000 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. If sufficient funds are not available to cover such transfer, the secretary of commerce and the director of the budget shall jointly certify the amount of such insufficient funds to the director of accounts and reports and transmit a copy of such certification to the director of legislative research. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas sports tourism program grant fund. Such transfers shall be subject to appropriation acts.

(2) Subject to appropriations therefor, on July 1, 2026, and each July 1 thereafter, the secretary of commerce shall certify the amount of unencumbered funds in the Kansas sports tourism program grant fund to the director of accounts and reports. Upon receipt of such certification, or as soon thereafter as moneys are available, if the amount certified by the secretary of commerce is less than $1,500,000, the director of accounts and reports shall transfer the amount that results in the amount of unencumbered funds in the Kansas sports tourism program grant fund being equal to $1,500,000 immediately subsequent to such transfer 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. If sufficient funds are not available to cover such transfer, the secretary of commerce and the director of the budget shall jointly certify the amount of such insufficient funds to the director of accounts and reports and transmit a copy of such certification to the director of legislative research. Upon receipt of such certification, the director of accounts and reports shall transfer such certified amount from the state general fund to the Kansas sports tourism program grant fund. Such transfers shall be subject to appropriation acts.

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

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

(a) The number of grants awarded;

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

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

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

(e) the distribution of grant funds by county;

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

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

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

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

Sec. 7. (a) The provisions of sections 1 through 6, and amendments thereto, shall expire on June 30, 2030.

(b) On July 1, 2030:

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

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

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

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