

## 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (e) The committee shall allocate 60% of the total funds available for  
29 grants in each year to sporting events within the state that the committee  
30 determines will generate a minimum of \$2.5 million in economic impact  
31 and 3,000 consumed hotel room nights. The committee shall allocate 40%  
32 of the total funds available for grants in each fiscal year to events that  
33 generate a minimum of \$250,000 in economic impact or a minimum of  
34 500 consumed hotel room nights. To ensure that the impact of the sports  
35 tourism grant program is realized statewide, 30% of the 40% allocated to  
36 events generating a minimum of \$250,000 or 500 hotel room nights  
37 consumed shall be allocated to grant applicants for projects in counties  
38 other than Johnson, Wyandotte and Sedgwick counties. The committee  
39 shall not award grants to projects involving the national basketball  
40 association, national football league, major league baseball, national  
41 hockey league, major league soccer, professional women's soccer or  
42 established Kansas residential professional sports entities.

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

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

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

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

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

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

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

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

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

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

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

11 (g) If the applicant is an event owner, the sports commission and  
12 direct marketing organization in the community hosting the event shall be  
13 required to serve as a grant sponsor. The grant sponsor shall prove tax-  
14 exempt status by submitting a copy of the determination letter issued to the  
15 grant sponsor's customer by the internal revenue service, officially  
16 recognizing the customer corporation's tax-exempt status under 501(c)3 or  
17 501(c)6 of the United States internal revenue code.

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

20 (1) Expenses allowed by the committee may include:

21 (A) Officials' travel and housing;

22 (B) promotions and marketing;

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

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

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

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

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

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

32 (C) printed programs that solicit advertising;

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

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

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

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

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

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

- 7 (1) An economic impact report including:
  - 8 (A) The event name;
  - 9 (B) the location of the event;
  - 10 (C) the start date of the event;
  - 11 (D) the end date of the event;
  - 12 (E) the event type;
  - 13 (F) the sport or sports;
  - 14 (G) information regarding an elimination tournament, if any;
  - 15 (H) the number of overnight visitors;
  - 16 (I) the number of day visitors, if available;
  - 17 (J) the total number of hotel rooms consumed in the local or regional  
18 Kansas market;

- 19 (K) the average nightly room rate;
- 20 (L) the average number of persons per room;
- 21 (M) the local sales tax rate; and
- 22 (N) the lodging tax rate;

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

- 25 (A) Facility rental;
- 26 (B) internet web page, website or access;
- 27 (C) security;
- 28 (D) food and beverage;
- 29 (E) audio visual;
- 30 (F) referees;
- 31 (G) trainers; and
- 32 (H) any identified additional expenses.

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

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

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

1 the community or any holder of rights.

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

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

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

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