

House Bill 984

By: Representative Stephens of the 164th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 50 of the Official Code of Georgia Annotated, relating to the
2 Department of Economic Development, so as to create the Sports Marketing Fund; to provide
3 for definitions; to provide for legislative findings and purposes; to provide for the Sports
4 Marketing Board; to provide for members, powers and duties, and election of a chairperson;
5 to provide for funding to sports commissions; to provide for procedures, conditions, and
6 limitations; to provide for an effective date; to repeal conflicting laws; and for other
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 7 of Title 50 of the Official Code of Georgia Annotated, relating to the Department
11 of Economic Development, is amended by adding a new article to read as follows:

12 "ARTICLE 8

13 50-7-90.

14 As used in this article, the term:

15 (1) 'Board' means the Sports Marketing Board created within the department.

16 (2) 'Department' means the Department of Economic Development.

17 (3) 'Fund' means the Sports Marketing Fund created within the department.

18 (4) 'Grant' means an advance of money from the fund to a registered sports commission
19 on such terms as the fund shall set, including, but not limited to, an absolute promise by
20 the registered sports commission to repay the principal amount of the grant and any return
21 on investment, which shall include, but not be limited to, simple or compound interest.

22 The interest charged shall be determined by the board based on the prevailing interest rate
23 being charged by commercial financial institutions at the time the grant is made.

24 (5) 'Registered sports commission' means a sports commission that has been certified by
25 the department.

26 (6) 'Sports commission' or 'sports council' means a nonprofit organization that reports
27 to a local chamber of commerce or convention and sports bureau and is charged with
28 managing the bid process to attract professional and amateur sporting events to a
29 municipality.

30 50-7-91.

31 The General Assembly declares that its purpose in creating the fund and enacting this
32 legislation is to provide a funding mechanism for attracting sporting events to the State of
33 Georgia, thereby increasing employment, creating additional wealth, and otherwise
34 benefitting the economic welfare of the people of this state. Sports commissions across the
35 State of Georgia are limited in their ability to compete for sporting events by a lack of
36 funding to cover the initial costs of hosting a sporting event. Sporting events are
37 increasingly requiring the winning bidder to pay an up-front fee for the privilege of hosting
38 the event. Accordingly, it is the intention of the General Assembly that the fund make
39 grants available to registered sports commissions in accordance with the procedures and
40 policies authorized and required under this article.

41 50-7-92.

42 The department will serve as the oversight agency to ensure that funds are dispensed in
43 accordance with this article. Sports councils or commissions will determine the direct state
44 tax benefit utilizing the West Georgia Sports Model. The department will determine that
45 up to 80 percent of this tax benefit is being used for the bid and execution of the sporting
46 event. The department will confirm the proper use of expenditure prior to the formal bid
47 being made.

48 50-7-93.

49 (a) The fund is created as a separate fund maintained by the department and shall be
50 expended only as provided in this article. The moneys in the fund may be invested and
51 reinvested in accordance with the investment policies authorized by this article with
52 oversight by the department. The entire cost of administration of the fund, including
53 expenses of the department incurred in connection with the creation, operation,
54 management, and investment of fund moneys in registered sports commissions, may be
55 paid from the assets of the fund. All moneys appropriated to the fund shall be
56 presumptively concluded to have been committed to the purpose for which they have been
57 appropriated or paid and shall not lapse.

58 (b) The fund shall consist of all moneys authorized by law for deposit in the fund,
59 including, but not limited to, appropriations, private donations, and any funds transferred
60 by other government entities authorized to provide funding for the purposes authorized by
61 this article.

62 (c) The fund shall receive repayment of each grant in accordance with its terms, and
63 proceeds from such repayments shall be managed in the department's budget.

64 (d) Disbursements from the fund shall be made in accordance with the policies provided
65 for in this article.

66 (e) The department is authorized to contract and to have contracts and other legal
67 documents prepared to carry out the provisions of this article.

68 (f) The department shall have the authority to issue policies governing the management
69 and operation of the fund as needed.

70 50-7-94.

71 (a) The sports commission with oversight from the department may authorize transfers
72 from the fund to make grants to registered sports commissions. With respect to such grants,
73 the sports commission with oversight from the department, acting on behalf of the
74 department and the fund, shall have the authority to negotiate modifications or alterations
75 in loans and other obligations held by the fund and to exercise any and all rights as
76 provided by law or to contract for the benefit or protection of the fund.

77 (b) Prior to applying for a grant, a sports commission shall apply for registration with the
78 sports commission with oversight from the department. The sports commission with
79 oversight from the department, through the department, shall promulgate rules and
80 regulations containing the forms and other requirements necessary for registration. Such
81 requirements shall include, but not be limited to, that the sports commission applying for
82 registration is a nonprofit organization.

83 (c) Any grant made under this article shall be made available up to 18 months prior to the
84 sporting event and shall be limited to up to 80 percent of the state sales tax expected to be
85 generated by the sporting event. Potential state sales tax revenue shall be determined by
86 the University of West Georgia's Center for Business and Economic Research, or other
87 credible institution, using the IMPLAN model.

88 (d) No expenditures shall be issued until a registered sports commission submits an
89 application showing a winning bid to host a specified sporting event. Such applications
90 shall also include the state sales tax estimate generated in accordance with subsection (c)
91 of this Code section.

92 50-7-95.

93 The department shall publish electronically an annual report which shall be made available
94 to the Governor, General Assembly, Department of Economic Development or any
95 successor agency, chairperson of the House Committee on Economic Development and
96 Tourism, and chairperson of the Senate Economic Development Committee setting forth
97 in detail the operations and transactions conducted by it pursuant to this article. The annual
98 report shall specifically account for the ways in which the needs, mission, and programs
99 of the board described in this article have been carried out. The board shall not be required
100 to distribute copies of the annual report to the members of the General Assembly but shall
101 notify the members of the availability of the annual report in the manner which it deems
102 to be most effective and efficient."

103 **SECTION 2.**

104 This Act shall become effective on July 1, 2014.

105 **SECTION 3.**

106 All laws and parts of laws in conflict with this Act are repealed.