

House Bill 740

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 repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 7 of Title 50 of the Official Code of Georgia Annotated, relating to the Department
10 of Economic Development, is amended by revising Article 8, which is reserved, as follows:

11 "ARTICLE 8

12 50-7-90.

13 As used in this article, the term:

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

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

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

17 (4) 'Grant' means an advance of money from the fund to a registered sports commission
18 on such terms as the fund shall set, including, but not limited to, an absolute promise by

19 the registered sports commission to repay the principal amount of the grant and any return
20 on investment, which shall include, but not be limited to, simple or compound interest.

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

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

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

29 50-7-91.

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

40 50-7-92.

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

47 50-7-93.

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

57 (b) The fund shall consist of all moneys authorized by law for deposit in the fund,
58 including, but not limited to, appropriations, private donations, and any funds transferred

59 by other government entities authorized to provide funding for the purposes authorized by
60 this article.

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

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

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

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

69 50-7-94.

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

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

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

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

91 50-7-95.

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

102 **SECTION 2.**

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