

House Bill 827

By: Representative Stephens of the 164th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 9 of Title 10 and Article 2 of Chapter 7 of Title 48 of the
2 Official Code of Georgia Annotated, relating to general provisions relative to the Geo. L.
3 Smith II Georgia World Congress Center Authority, and to imposition, rate, computations,
4 and exemptions relative to state income taxation, respectively, so as to create the Georgia
5 Major Sporting Event Reimbursement Fund; to create the Georgia Major Sporting Event
6 Reimbursement Board; to provide for legislative purpose; to provide for a tax credit for
7 contributions to the Georgia Major Sporting Event Reimbursement Fund; to provide for
8 conditions; to provide for duties of the commissioner of the Department of Economic
9 Development; to provide for recovery of funds under certain conditions; to provide for
10 annual report and audit; to provide for automatic repeal; to provide for related matters; to
11 repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 style="text-align:center">**SECTION 1.**

14 Article 1 of Chapter 9 of Title 10 of the Official Code of Georgia Annotated, relating to
15 general provisions relative to the Geo. L. Smith II Georgia World Congress Center Authority,
16 is amended by adding a new Code section to read as follows:

17 "10-9-19.1.

18 (a) As used in this Code section:

19 (1) 'Commissioner' means the state revenue commissioner.

20 (2) 'Georgia Major Sporting Event Reimbursement Board' or 'board' means the board of
21 directors established by subsection (b) of this Code section.

22 (3) 'Georgia Major Sporting Event Reimbursement Fund' or 'fund' means an account
23 created within the authority with divisions established for each nonrecurring major
24 sporting event and amounts allocated for the preparation, presentation, and execution of
25 each event.

26 (4) 'Host grant' means the expenditure of money from the fund under a contract with a
 27 registered sports commission for the purposes of public safety and other relevant state or
 28 local government expenses not to exceed one-third of the overall cost to successfully
 29 hosting a nonrecurring major sporting event.

30 (5) 'Nonrecurring major sporting event' means a distinct sporting event that has not taken
 31 place in this state within the prior three years and which has been certified in accordance
 32 with subsection (g) of this Code section as a nonrecurring major sporting event.

33 (6) 'Registered sports commission' means a sports commission that has been certified by
 34 the board in accordance with subsection (e) of this Code section.

35 (7) 'Sports commission' means a nonprofit organization, a county, or a municipality that
 36 is charged in whole or in part with hosting a professional or amateur sporting event on
 37 behalf of the state or any county or municipality.

38 (b)(1) There is created within the Geo. L. Smith II Georgia World Congress Center
 39 Authority a division to be known as the 'Georgia Major Sporting Event Reimbursement
 40 Board.'

41 (2)(A) The members of the Georgia Major Sporting Event Reimbursement Board shall
 42 be the state treasurer, the executive director of the authority, one member to be
 43 appointed by the Governor and to serve during the term of office of the Governor and
 44 until a successor is duly appointed and qualified, one member to be appointed by the
 45 Lieutenant Governor and to serve during the term of office of the Lieutenant Governor
 46 and until a successor is duly appointed and qualified, and one member to be appointed
 47 by the Speaker of the House of Representatives and to serve during the term of office
 48 of the Speaker of the House of Representatives and until a successor is duly appointed
 49 and qualified.

50 (B) The board shall elect one of its members as chairperson. The board shall also elect
 51 a secretary and a treasurer, who need not necessarily be members of the board.

52 (C) A majority of the members of the board shall constitute a quorum necessary for the
 53 transaction of business, and a majority vote of those present at any meeting at which
 54 there is a quorum shall be sufficient to do and perform any action permitted to the
 55 board.

56 (D) All successors and vacancies in office shall be appointed in the same manner as
 57 original appointments. Vacancies in office shall be filled only for the remainder of the
 58 unexpired term. A vacancy on the board shall not impair the right of the quorum of the
 59 remaining members then in office to exercise all rights and perform all duties of the
 60 board.

61 (E) The members of the board shall be entitled to and shall be reimbursed for their
 62 actual travel expenses necessarily incurred in the performance of their duties and, for

63 each day actually spent in performance of their duties, shall receive the same per diem
64 as do members of the General Assembly.

65 (F) Members of the authority shall be accountable as trustees. The division shall have
66 an executive director appointed by the board, and such other resources as the board of
67 said authority may direct from time to time.

68 (3) The division may utilize by agreement assigned staff of the authority or the
69 Department of Economic Development.

70 (4) The General Assembly declares that its purpose in creating the fund and enacting this
71 legislation is to provide a funding mechanism for hosting sporting events in Georgia,
72 thereby increasing employment, creating additional wealth, promoting the state and its
73 jurisdictions through media exposure and advertising, driving tourism, ensuring public
74 safety, and otherwise benefiting the economic welfare of the people of this state.

75 (c)(1) The Georgia Major Sporting Event Reimbursement Fund is created as a separate
76 fund or funds maintained by the board and shall be expended only as provided in this
77 Code section.

78 (2) The moneys in the fund may be invested and reinvested in accordance with the
79 investment policies authorized by law and with oversight by the board.

80 (3) The entire cost of administration of the program, including expenses of the authority
81 incurred in connection with the creation, operation, management, and investment of the
82 fund, may be paid from the assets of the fund.

83 (4) The fund shall consist of all moneys authorized by law for deposit in the fund,
84 including, but not limited to, private donations and any funds transferred by other
85 government entities authorized to provide funding for the purposes authorized by this
86 Code section.

87 (5) The board shall ensure that the fund is administered in accordance with the
88 provisions of this Code section. Disbursements from the fund shall be made in
89 accordance with this Code section. The board is authorized to contract with state
90 agencies, departments, authorities, local governments and to enter into such contracts and
91 arrangements as necessary to carry out the provisions of this Code section.

92 (d) The board may make disbursements from the fund as grants to the state or its political
93 subdivisions, to reimburse expenses incurred by such receiving entity in connection with
94 a nonrecurring major sporting event.

95 (e)(1) Prior to applying for a host grant, a sports commission shall apply for registration
96 with the board to become a registered sports commission.

97 (2) The board shall promulgate rules and regulations containing the forms and other
98 requirements necessary for registration as a registered sports commission.

99 (f)(1) A disbursement from the fund shall not be made available to a registered sports
100 commission without proof of eligible expenses incurred by the registered sports
101 commission or earlier than 18 months prior to the nonrecurring major sporting event.
102 (2) A disbursement from the fund shall not be made until a registered sports commission
103 submits and the board approves an application showing a winning bid to host a
104 nonrecurring major sporting event in this state. This subsection shall not limit or prohibit
105 the board from authorizing conditional approval pending the submission of a winning bid.
106 (3) The funds of a host grant disbursed to a registered sports commission shall be used
107 only to reimburse expenses incurred by the registered sports commission for necessary
108 state or local government expenses associated with successfully hosting the nonrecurring
109 major sporting event.
110 (g)(1) The commissioner of the Department of Economic Development may certify as a
111 nonrecurring major sporting event a distinct professional or amateur sporting event that
112 has not taken place in this state within the prior three years and is expected to generate
113 more than \$1 million of tax revenue in this state. Determinations made under this
114 subsection by the commissioner shall be made at least 30 months prior to the distinct
115 professional or amateur sporting event and shall become effective 24 months prior to
116 such sporting event.
117 (2) Such a determination may be rendered null and void by a joint resolution passed by
118 both chambers of the General Assembly. In the event that such a joint resolution is
119 introduced in the General Assembly, a special committee in each respective chamber of
120 the General Assembly may be appointed by the presiding officers of both chambers of
121 the General Assembly for the purpose of considering such a joint resolution.
122 (h) The board shall publish electronically an annual report which shall be made available
123 to the authority and to the Governor, General Assembly, Department of Economic
124 Development, Department of Revenue or any successor agency, chairperson of the House
125 Committee on Economic Development and Tourism, and chairperson of the Senate
126 Economic Development and Tourism Committee setting forth in detail the operations and
127 transactions conducted by the board pursuant to this article. The annual report shall
128 specifically account for the ways in which the needs, mission, and programs of the board
129 described in this Code section have been carried out. The board shall not be required to
130 distribute copies of the annual report to the members of the General Assembly but shall
131 notify the members of the availability of the annual report in the manner which it deems
132 be most effective and efficient."

SECTION 2.

133
134 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
135 imposition, rate, computations, and exemptions relative to state income taxation, is amended
136 by adding a new Code section to read as follows:

137 "48-7-29.23.

138 (a) As used in this Code section, the term 'Georgia Major Sporting Event Reimbursement
139 Fund' means the fund of the same name established by Code Section 10-9-19.1.

140 (b) An individual taxpayer shall be allowed a credit against the tax imposed by this chapter
141 for certified contributions to the Georgia Major Sporting Event Reimbursement Fund as
142 follows:

143 (1) In the case of a single individual or a head of household, the actual amount expended;

144 (2) In the case of a married couple filing a joint return, the actual amount expended; or

145 (3) In the case of an individual who is a member of a limited liability company duly
146 formed under state law, a shareholder of a Subchapter 'S' corporation, or a partner in a
147 partnership, the amount expended; provided, however, that tax credits pursuant to this
148 paragraph shall be allowed only for the portion of the income on which such tax was
149 actually paid by such individual.

150 (c) From January 1 to June 30 each taxable year, an individual taxpayer shall be limited
151 in its certified contributions to the Georgia Major Sporting Event Reimbursement Fund
152 allowable for credit under this Code section, and the commissioner shall not approve
153 qualified donations incurred from January 1 to June 30 each taxable year, which exceed the
154 following limits:

155 (1) In the case of a single individual or a head of household, \$5,000.00;

156 (2) In the case of a married couple filing a joint return, \$10,000.00; or

157 (3) In the case of an individual who is a member of a limited liability company duly
158 formed under state law, a shareholder of a Subchapter 'S' corporation, or a partner in a
159 partnership, \$10,000.00.

160 (d) A corporation or other entity shall be allowed a credit against the tax imposed by this
161 chapter for certified contributions to the Georgia Major Sporting Event Reimbursement
162 Fund in an amount not to exceed the actual amount expended or 75 percent of the
163 corporation's income tax liability, whichever is less.

164 (e) The total amount of the tax credit under this Code section for a taxable year shall not
165 exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the
166 taxpayer against the succeeding five years' tax liability. No such credit shall be allowed
167 the taxpayer against prior years' tax liability.

168 (f) In no event shall the aggregate amount of tax credits allowed under this Code section
169 exceed \$60 million per taxable year.

170 (g)(1) Before making a contribution to the Georgia Major Sporting Event
171 Reimbursement Fund, the taxpayer shall electronically notify the department, in a manner
172 specified by the department, of the total amount of contribution that the taxpayer intends
173 to make to the Georgia Major Sporting Event Reimbursement Fund. The commissioner
174 shall preapprove or deny the requested amount within 30 days after receiving the
175 notification from the taxpayer and shall provide written notice to the taxpayer and the
176 Georgia Major Sporting Event Reimbursement Fund of such preapproval or denial which
177 shall not require any signed release or notarized approval by the taxpayer.

178 (2) In order to receive a tax credit under this Code section, the taxpayer shall make the
179 preapproved contribution to the Georgia Major Sporting Event Reimbursement Fund
180 within 180 days after receiving confirmation from the department that the requested
181 amount was preapproved. If the taxpayer does not comply with this paragraph, the
182 commissioner shall not include the associated preapproved contribution amount when
183 calculating the limit prescribed in subsection (f) of this Code section.

184 (3)(A) Preapproval of contributions by the commissioner shall be based solely on the
185 availability of tax credits subject to the aggregate total limit.

186 (B) Any taxpayer preapproved by the commissioner pursuant to this subsection shall
187 retain such approval in the event the credit percentage in this Code section is modified
188 for the year in which the taxpayer was preapproved.

189 (C) Upon the Georgia Major Sporting Event Reimbursement Fund's receipt of the
190 preapproved contribution, the Major Sporting Event Reimbursement Fund shall certify
191 the contribution made by the taxpayer and shall issue a notice to the taxpayer and the
192 department with the total amount of certified contribution received from the taxpayer.

193 (h) In order for the taxpayer to claim the tax credit under this Code section, the taxpayer
194 must attach the notice issued by the Georgia Major Sporting Event Reimbursement Fund
195 certifying the contribution confirmation of donation issued by the taxpayer to the taxpayer's
196 tax return. However, in the event the taxpayer files an electronic return, such confirmation
197 shall only be required to be electronically attached to the return, if the Internal Revenue
198 Service allows such attachments, when the return is transmitted to the department. In the
199 event the taxpayer files an electronic return and such confirmation is not attached because
200 the Internal Revenue Service does not, at the time of such electronic filing, allow electronic
201 attachments to the Georgia return, such confirmation shall be maintained by the taxpayer
202 and made available upon request by the commissioner. The notification certifying the
203 contribution shall contain the taxpayer's name, address, tax identification number, the
204 amount of the contribution, the date of the contribution, and the amount of the credit earned
205 in connection therewith.

206 (i) A credit shall not be allowed under this Code section with respect to any amount
 207 deducted from taxable net income by the taxpayer as a charitable contribution to a bona
 208 fide charitable organization qualified under Section 501(c)(3) of the Internal Revenue
 209 Code.

210 (j) The commissioner shall be authorized to promulgate any rules and regulations
 211 necessary to implement and administer the provisions of this Code section.

212 (k) The department shall post the following information in a prominent location on its
 213 website:

214 (1) All pertinent timelines relating to the tax credit, including, but not limited to:

215 (A) Beginning date when contributions can be submitted for preapproval by donors for
 216 the January 1 to June 30 period;

217 (B) Ending date when contributions can be submitted for preapproval by donors for the
 218 January 1 to June 30 period;

219 (C) Beginning date when contributions can be submitted for preapproval by donors for
 220 the July 1 to December 31 period;

221 (D) Ending date when contributions can be submitted for preapproval by donors for the
 222 July 1 to December 31 period; and

223 (E) Date by which preapproved contributions are required to be sent to the Georgia
 224 Major Sporting Event Reimbursement Fund;

225 (2) A monthly progress report including:

226 (A) Total preapproved contributions to date; and

227 (B) Total contributions received to date;

228 (l) The Department of Audits and Accounts shall annually conduct and publish an audit
 229 of the tax credit program established under this Code section, including the amount and
 230 taxpayer that made each contribution, all tax credits disallowed by the commissioner, all
 231 tax credits and other items of value received by individual and corporate donors, and all
 232 amounts and items of value received by third parties that solicited, administered, or
 233 managed contributions pertaining to this Code section.

234 (m) This Code section shall stand automatically repealed on December 31, 2029."

235 **SECTION 3.**

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