

Senate File 2394 - Introduced

SENATE FILE 2394

BY KOELKER

A BILL FOR

1 An Act relating to economic development by establishing the
2 Iowa major events and tourism program and fund, modifying
3 the sports tourism and marketing infrastructure program, and
4 making appropriations.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWA MAJOR EVENTS AND TOURISM PROGRAM AND FUND

Section 1. NEW SECTION. 15F.410 **Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. "*Entity*" means an Iowa nonprofit organization established to promote economic development and tourism in an area.

2. "*Event*" means a tourism-oriented athletic contest, convention, music festival, or art festival.

3. "*Financial assistance*" means assistance provided only from the funds, rights, and assets legally available to the authority and includes but is not limited to assistance in the form of grants.

4. "*Fund*" means the Iowa major events and tourism fund established in section 15F.413.

5. "*Program*" means the Iowa major events and tourism program established in section 15F.411.

Sec. 2. NEW SECTION. 15F.411 **Iowa major events and tourism program — eligibility.**

1. The authority shall establish, and, at the discretion of the board, administer the Iowa major events and tourism program to provide financial assistance to eligible entities that support events in this state, or support events involving a geographic region that includes this state, and the event generates large attendance, significant publicity, and has a measurable economic impact on this state.

2. a. The authority shall establish eligibility criteria for the program by rule. The eligibility criteria must include all of the following:

(1) The entity must currently be involved in the bidding and selection process for the event for which the entity submits an application.

(2) The entity must submit an economic analysis of the event with the entity's application that includes but is not limited to all of the following:

1 (a) Projected hotel and motel room occupancies during the
2 event.

3 (b) Projected number of event attendees from this state,
4 other states, and other countries.

5 b. Notwithstanding paragraph "a", an entity shall be deemed
6 eligible for the program if any of the following apply:

7 (1) After a highly competitive bidding and selection
8 process involving potential sites not located in this state, a
9 location in Iowa has been selected for the entity's event.

10 (2) This state serves as the sole site for the entity's
11 event.

12 (3) The sole site for the entity's event is a geographical
13 region that includes this state and one or more contiguous
14 states.

15 3. The program shall be administered for the purpose of
16 awarding financial assistance to an eligible entity for any of
17 the following purposes:

18 a. To pay for or reimburse the costs incurred by the entity
19 to apply or bid for selection as the site for the event.

20 b. To pay for or reimburse the costs incurred by the
21 entity to plan or to conduct the event, including any of the
22 following:

23 (1) Fees charged by a site selection organization as a
24 prerequisite to hosting the event, including but not limited
25 to hosting fees, sanctioning fees, participation fees, or bid
26 fees.

27 (2) Costs for performance bonds or insurance required of the
28 host for hosting the event.

29 (3) Public safety and security expenses.

30 (4) Advertising expenses.

31 (5) Costs to prepare the economic analysis required under
32 subsection 2, paragraph "a".

33 (6) Costs incurred for transportation and parking services
34 that exceed the revenue generated from providing such services
35 during the event.

1 (7) Other costs incurred by the entity that are required to
2 host the event.

3 Sec. 3. NEW SECTION. 15F.412 Program — application,
4 review, and funding.

5 1. An application for financial assistance under the
6 program shall be submitted to the authority. For each
7 application that meets the eligibility criteria under section
8 15F.411, subsection 2, the authority shall conduct a staff
9 evaluation of the application and forward the application and
10 staff evaluation to the board.

11 2. When evaluating an application, the authority shall
12 consider, at a minimum, all of the following:

13 a. The potential impact of the event on the local, regional,
14 and state economies.

15 b. The event's potential to attract visitors from this
16 state, other states, and other countries.

17 c. The amount of positive advertising or media coverage the
18 event may generate.

19 d. The quality, size, and scope of the event.

20 e. The ratio of public-to-private investment required for
21 the event.

22 3. a. (1) Upon review of the staff evaluation, the board
23 shall make the final funding decision on each application
24 and may approve, deny, defer, or modify each application, in
25 the board's discretion, to fund as many events as possible
26 with the moneys available. The board and the authority may
27 negotiate with an eligible applicant regarding the details of
28 the applicant's proposed event and the amount and terms of
29 any financial assistance. In making final funding decisions
30 pursuant to this subsection, the board and the authority shall
31 be exempt from chapter 17A.

32 (2) An application and staff evaluation forwarded to
33 the board under subsection 1 shall remain eligible for
34 consideration by the board under subparagraph (1) for up to two
35 years from the date of receipt of the application by the board.

1 *b.* In order to be awarded financial assistance under the
2 program, an applicant must demonstrate the ability to provide
3 matching funds for the event that equal at least fifty percent
4 of the award of financial assistance.

5 Sec. 4. NEW SECTION. 15F.413 Iowa major events and tourism
6 fund.

7 1. *a.* The authority shall establish an Iowa major events
8 and tourism fund pursuant to section 15.106A, subsection 1,
9 paragraph "o", for purposes of providing financial assistance
10 as described in this subchapter. The fund may be administered
11 as a revolving fund and shall consist of any moneys transferred
12 to the fund and any moneys appropriated by the general assembly
13 for purposes of this subchapter.

14 *b.* (1) Notwithstanding section 8.33, moneys appropriated
15 in this section that remain unencumbered or unobligated at the
16 close of the fiscal year shall not revert but shall remain
17 available for expenditure for the purposes designated until the
18 close of the fiscal year following the succeeding fiscal year.

19 (2) Moneys encumbered or obligated pursuant to financial
20 assistance awarded under section 15F.412, subsection 3, shall
21 be disbursed by the authority within five calendar years from
22 the date of encumbrance or obligation, or the moneys shall
23 revert to the state treasury and shall be credited to the funds
24 from which the appropriations were made as provided in section
25 8.33.

26 *c.* Notwithstanding section 12C.7, subsection 2, interest or
27 earnings on moneys deposited in the fund shall be credited to
28 the fund.

29 2. *a.* Moneys in the fund are appropriated to the authority
30 for purposes of providing financial assistance under the
31 program. The authority may not use more than five percent of
32 the moneys in the fund at the beginning of each fiscal year for
33 purposes of administrative costs, technical assistance, and
34 other program support.

35 *b.* An entity that is awarded financial assistance pursuant

1 to this subchapter is not eligible to receive financial
2 assistance under the sports tourism infrastructure program
3 pursuant to subchapter IV.

4 Sec. 5. CODE EDITOR DIRECTIVE. The Code editor shall
5 designate sections 15F.410 through 15F.413, as enacted in this
6 division of this Act, as subchapter V entitled, "Iowa Major
7 Events and Tourism Program".

8 DIVISION II

9 APPROPRIATIONS FROM SPORTS WAGERING RECEIPTS FUND

10 Sec. 6. APPROPRIATIONS — SPORTS WAGERING RECEIPTS
11 FUND. There is appropriated from the sports wagering receipts
12 fund created in section 8.57 to the authority for the fiscal
13 year beginning July 1, 2024, and ending June 30, 2025, the
14 following amount, or so much thereof as is necessary, to be
15 used for the purposes designated:

16 For deposit into the Iowa major events and tourism fund
17 established in section 15F.413, as enacted in division I of
18 this Act:

19 \$ 15,000,000

20 DIVISION III

21 SPORTS TOURISM MARKETING PROGRAM AND FUND — REPEAL

22 Sec. 7. Section 15F.401, subsection 1, paragraph a, Code
23 2024, is amended to read as follows:

24 a. The authority shall establish, and, at the direction
25 of the board, shall administer a sports tourism ~~marketing and~~
26 infrastructure program to provide financial assistance ~~for~~
27 ~~projects that promote sporting events or for infrastructure~~
28 projects supporting sporting events for organizations of
29 accredited colleges and universities, professional sporting
30 events, and other sporting events in the state.

31 Sec. 8. Section 15F.401, subsection 1, paragraph b, Code
32 2024, is amended by adding the following new subparagraph:

33 NEW SUBPARAGRAPH. (03) "Fund" means the sports tourism
34 infrastructure program fund established in section 15F.404.

35 Sec. 9. Section 15F.401, subsection 2, paragraph a,

1 subparagraph (1), Code 2024, is amended by striking the
2 subparagraph.

3 Sec. 10. Section 15F.401, subsection 2, paragraph a,
4 subparagraph (2), Code 2024, is amended to read as follows:

5 ~~(2)~~ A city or county in the state or a public entity that
6 is a convention and visitors bureau or a district may apply to
7 the authority for financial assistance from the ~~sports tourism~~
8 ~~infrastructure program fund created in section 15F.404 fund~~ fund for
9 an infrastructure project that actively and directly supports
10 sporting events for accredited colleges and universities,
11 professional sporting events, and other sporting events in the
12 area served by the city, county, or public entity. However,
13 financial assistance shall not be provided to an applicant
14 from the ~~sports tourism infrastructure program fund created in~~
15 ~~section 15F.404 fund~~ fund for infrastructure projects located in a
16 reinvestment district as defined and approved by the authority
17 pursuant to section 15J.4 or to applicants that have received a
18 rebate of sales tax imposed and collected by retailers pursuant
19 to section 423.4, subsection 5.

20 Sec. 11. Section 15F.401, subsection 4, paragraph b, Code
21 2024, is amended to read as follows:

22 *b.* An applicant under the program shall not receive
23 financial assistance from the ~~sports tourism marketing~~
24 ~~program fund created in section 15F.403 or the sports tourism~~
25 ~~infrastructure program fund created in section 15F.404 fund~~
26 in an amount exceeding fifty percent of the total cost of the
27 project.

28 Sec. 12. Section 15F.401, subsection 5, Code 2024, is
29 amended to read as follows:

30 5. The board shall make final funding decisions on
31 each application and may approve, deny, defer, or modify
32 applications for financial assistance under the sports tourism
33 ~~marketing and~~ infrastructure program, in its discretion, in
34 order to fund as many projects with the moneys available as
35 possible. The board and the authority may negotiate with

1 applicants regarding the details of projects and the amount and
2 terms of any award. ~~The total amount of financial assistance~~
3 ~~provided to an applicant from the sports tourism marketing~~
4 ~~program fund created in [section 15F.403](#) in any one fiscal year~~
5 ~~shall not exceed five hundred thousand dollars.~~ In making
6 final funding decisions pursuant to [this subsection](#), the board
7 and the authority are exempt from [chapter 17A](#).

8 Sec. 13. Section 15F.401, subsection 6, Code 2024, is
9 amended by striking the subsection and inserting in lieu
10 thereof the following:

11 6. A city, county, or public entity shall not use financial
12 assistance received under the program from the fund as
13 reimbursement for completed projects.

14 Sec. 14. Section 15F.402, subsections 1 and 2, Code 2024,
15 are amended to read as follows:

16 1. Applications for assistance under the sports tourism
17 ~~marketing and~~ infrastructure program established in section
18 15F.401 shall be submitted to the authority. For those
19 applications that meet the eligibility criteria, the authority
20 shall forward the applications to the board and provide a staff
21 review analysis and evaluation to the sports tourism program
22 review committee referred to in [subsection 2](#) and to the board.

23 2. A review committee composed of five members of the
24 board shall review sports tourism ~~marketing and~~ infrastructure
25 program applications forwarded to the board and make
26 recommendations regarding the applications to the authority.
27 The review committee shall consist of members of the board,
28 with one member from each congressional district under section
29 15F.102, subsection 2, paragraph "a", and one member from the
30 state at large under [section 15F.102, subsection 2](#), paragraph
31 "b".

32 Sec. 15. Section 15F.404, subsection 2, paragraph a, Code
33 2024, is amended to read as follows:

34 a. Moneys in the fund are appropriated to the authority for
35 purposes of providing financial assistance to cities, counties,

1 and eligible public entities under the sports tourism ~~marketing~~
2 ~~and~~ infrastructure program established and administered
3 pursuant to [this subchapter](#).

4 Sec. 16. REPEAL. Section 15F.403, Code 2024, is repealed.

5 Sec. 17. TRANSFER OF MONEYS. On the effective date of
6 this division of this Act, any moneys remaining in the sports
7 tourism marketing program fund in section 15F.403, Code 2024,
8 shall be transferred to the Iowa major events tourism fund
9 established in section 15F.413, as enacted in division I of
10 this Act.

11

EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill relates to economic development by establishing
15 the Iowa major events and tourism program and fund modifying
16 the sports tourism and marketing infrastructure program, and
17 making appropriations.

18 DIVISION I — IOWA MAJOR EVENTS AND TOURISM PROGRAM AND
19 FUND. The bill requires the economic development authority
20 (authority) to establish an Iowa major events and tourism
21 program (program) and an Iowa major events and tourism fund
22 (fund), and at the discretion of the enhance Iowa board (board)
23 the authority shall administer the program.

24 The purpose of the program is to provide financial
25 assistance including but not limited to grants to an entity
26 supporting an event in this state, or an event involving a
27 geographic region that includes this state, and the event
28 generates large attendance, significant publicity, and
29 measurable economic impact on this state.

30 The bill defines "entity" to mean an Iowa nonprofit
31 organization established to promote economic development
32 and tourism in an area. The bill defines "event" to mean a
33 tourism-oriented athletic contest, convention, music festival,
34 or art festival.

35 The bill requires the authority to establish eligibility

1 criteria for the program by rule. The eligibility criteria
2 must include the requirement that the entity be currently
3 involved in the bidding and selection process for the event the
4 application is based upon; and that the entity must submit an
5 economic analysis of the event with the entity's application
6 that includes but is not limited to projected hotel and motel
7 room occupancies, and the projected number of visitors to the
8 event.

9 An application is deemed to meet all eligibility criteria
10 if the state is selected as the event site after a highly
11 competitive bidding and selection process involving sites
12 in other states, if this state serves as the sole site for
13 the event, or if the sole site for the event involves a
14 geographical region that includes this state and contiguous
15 states.

16 The authority shall administer the program for the purpose
17 of awarding financial assistance to an eligible entity
18 to pay for or reimburse costs associated with the event
19 including costs to apply or bid for the site of the event,
20 planning costs, fees, insurance, public safety and security,
21 advertising, preparation of the economic analysis, and
22 transportation and parking services during the event.

23 If an entity's application meets the eligibility criteria
24 established in the bill, the staff of the authority must
25 perform an evaluation of the application and forward the
26 application and evaluation to the board. In evaluating an
27 application, the bill requires the authority to consider the
28 impact on the economy, the potential to attract visitors,
29 advertising and media coverage, public-to-private investment
30 ratios, and the quality, size, and scope of the event.

31 Upon review of the staff evaluation, the bill specifies the
32 board may approve, deny, defer, or modify the application. The
33 bill allows the board and the authority to negotiate with the
34 entity regarding the details of the event and the amount and
35 terms of the financial assistance.

1 An application submitted to the authority under the bill
2 remains eligible for consideration by the board for up to two
3 years from the date of receipt of the application by the board.

4 The bill requires applicants to demonstrate the ability to
5 provide matching funds equal to at least 50 percent of the
6 financial assistance awarded to the applicant.

7 The bill requires the authority to establish a fund for
8 the purposes of providing financial assistance under the
9 program. The bill specifies that the authority may administer
10 the fund as a revolving fund. Moneys in the fund that remain
11 unencumbered or unobligated at the close of the fiscal year do
12 not revert and remain available until the close of the fiscal
13 year following the succeeding fiscal year. Moneys in the
14 fund that are encumbered or obligated pursuant to financial
15 assistance awarded under the program shall be disbursed by
16 the authority within five years of the date of encumbrance or
17 obligation, or the moneys shall revert to the state treasury.
18 Moneys in the fund are appropriated to the authority to provide
19 financial assistance to an entity under the program.

20 An entity that is awarded financial assistance pursuant to
21 the bill is not eligible to receive financial assistance under
22 the sports tourism infrastructure program.

23 DIVISION II — APPROPRIATIONS FROM SPORTS WAGERING RECEIPTS
24 FUND. In FY 2024-2025, the bill appropriates \$15 million from
25 the sports receipts wagering fund to the Iowa major tourism
26 events and tourism fund for the purpose of providing financial
27 assistance to an eligible applicant as described in the bill.

28 DIVISION III — SPORTS TOURISM MARKETING PROGRAM AND FUND
29 — REPEAL. The bill modifies the sports tourism marketing
30 and infrastructure program by repealing the sports tourism
31 marketing program and fund. The bill retains the sports
32 tourism infrastructure program and fund. Upon the effective
33 date of the division, the bill transfers the remaining moneys
34 in the sports tourism marketing program fund to the Iowa major
35 events and tourism program fund established in the bill for the

1 uses described in the bill.