

Senate File 2419 - Introduced

SENATE FILE 2419

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 2394)

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. 15G.101 **Definitions.**

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

1. "*Board*" means the same as defined in section 15.102.
2. "*Entity*" means an Iowa nonprofit organization established to promote economic development and tourism in an area.
3. "*Event*" means a tourism-oriented athletic contest, convention, music festival, or art festival.
4. "*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.
5. "*Fund*" means the Iowa major events and tourism fund established in section 15G.104.
6. "*Program*" means the Iowa major events and tourism program established in section 15G.102.

Sec. 2. NEW SECTION. 15G.102 **Iowa major events and tourism program — purpose.**

1. The authority shall establish and 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. The program shall be administered for the purpose of awarding financial assistance to an eligible entity for any of the following purposes:

- a. To pay for or reimburse the costs incurred by the entity to apply or bid for selection as the site for the event.
- b. To pay for or reimburse the costs incurred by the entity to plan or to conduct the event, including any fees charged by a site selection organization as a prerequisite to hosting the

1 event, including but not limited to hosting fees, sanctioning
2 fees, participation fees, operational fees, or bid fees.

3 Sec. 3. NEW SECTION. 15G.103 Program — application,
4 review, eligibility, 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
8 subsection 2, the authority shall conduct a staff evaluation
9 of the application and forward the application and staff
10 evaluation to the board.

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

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

17 (2) The entity's application under subsection 1 must
18 include an economic analysis of the event that includes but is
19 not limited to all of the following:

20 (a) Projected hotel and motel room occupancies during the
21 event.

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

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

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

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

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

34 3. When evaluating an application, the authority shall
35 consider, at a minimum, all of the following:

1 *a.* The potential impact of the event on the local, regional,
2 and state economies.

3 *b.* The event's potential to attract visitors from this
4 state, other states, and other countries.

5 *c.* The amount of positive advertising or media coverage the
6 event may generate.

7 *d.* The quality, size, and scope of the event.

8 *e.* The ratio of public-to-private investment required for
9 the event.

10 4. *a.* (1) Upon review of the staff evaluation, the board
11 shall make the final funding decision on each application
12 and may approve, deny, defer, or modify each application, in
13 the board's discretion, to fund as many events as possible
14 with the moneys available. The board and the authority may
15 negotiate with an eligible applicant regarding the details of
16 the applicant's proposed event and the amount and terms of
17 any financial assistance. In making final funding decisions
18 pursuant to this subsection, the board and the authority shall
19 be exempt from chapter 17A.

20 (2) An application and staff evaluation forwarded to
21 the board under subsection 1 shall remain eligible for
22 consideration by the board under subparagraph (1) for up to two
23 years from the date of receipt of the application by the board.

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

28 Sec. 4. NEW SECTION. 15G.104 Iowa major events and tourism
29 fund.

30 1. *a.* The authority shall establish an Iowa major events
31 and tourism fund pursuant to section 15.106A, subsection 1,
32 paragraph "o", for purposes of providing financial assistance
33 as described in this subchapter. The fund may be administered
34 as a revolving fund and shall consist of any moneys transferred
35 to the fund and any moneys appropriated by the general assembly

1 for purposes of this subchapter.

2 *b.* (1) Notwithstanding section 8.33, moneys appropriated
3 in this section that remain unencumbered or unobligated at the
4 close of the fiscal year shall not revert but shall remain
5 available for expenditure for the purposes designated until the
6 close of the fiscal year following the succeeding fiscal year.

7 (2) Moneys encumbered or obligated pursuant to financial
8 assistance awarded under section 15G.103, subsection 4, shall
9 be disbursed by the authority within five calendar years from
10 the date of encumbrance or obligation, or the moneys shall
11 revert to the state treasury and shall be credited to the funds
12 from which the appropriations were made as provided in section
13 8.33.

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

17 2. *a.* Moneys in the fund are appropriated to the authority
18 for purposes of providing financial assistance under the
19 program. The authority may not use more than five percent of
20 the moneys in the fund at the beginning of each fiscal year for
21 purposes of administrative costs, technical assistance, and
22 other program support.

23 *b.* An entity that is awarded financial assistance pursuant
24 to this subchapter is not eligible to receive financial
25 assistance under the sports tourism infrastructure program
26 pursuant to chapter 15F, subchapter IV.

27 DIVISION II

28 APPROPRIATIONS FROM SPORTS WAGERING RECEIPTS FUND

29 Sec. 5. APPROPRIATIONS — SPORTS WAGERING RECEIPTS
30 FUND. There is appropriated from the sports wagering receipts
31 fund created in section 8.57 to the authority for the fiscal
32 year beginning July 1, 2024, and ending June 30, 2025, the
33 following amount, or so much thereof as is necessary, to be
34 used for the purposes designated:

35 For deposit into the Iowa major events and tourism fund

1 established in section 15G.104, as enacted in division I of
2 this Act:

3 \$ 15,000,000

4 DIVISION III

5 SPORTS TOURISM MARKETING PROGRAM AND FUND — REPEAL

6 Sec. 6. Section 15F.401, subsection 1, paragraph a, Code
7 2024, is amended to read as follows:

8 a. The authority shall establish, and, at the direction
9 of the board, shall administer a sports tourism ~~marketing and~~
10 infrastructure program to provide financial assistance ~~for~~
11 ~~projects that promote sporting events or~~ for infrastructure
12 projects supporting sporting events for organizations of
13 accredited colleges and universities, professional sporting
14 events, and other sporting events in the state.

15 Sec. 7. Section 15F.401, subsection 1, paragraph b, Code
16 2024, is amended by adding the following new subparagraph:

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

19 Sec. 8. Section 15F.401, subsection 2, paragraph a,
20 subparagraph (1), Code 2024, is amended by striking the
21 subparagraph.

22 Sec. 9. Section 15F.401, subsection 2, paragraph a,
23 subparagraph (2), Code 2024, is amended to read as follows:

24 {2} A city or county in the state or a public entity that
25 is a convention and visitors bureau or a district may apply to
26 the authority for financial assistance from the ~~sports tourism~~
27 ~~infrastructure program fund created in~~ section 15F.404 fund for
28 an infrastructure project that actively and directly supports
29 sporting events for accredited colleges and universities,
30 professional sporting events, and other sporting events in the
31 area served by the city, county, or public entity. However,
32 financial assistance shall not be provided to an applicant
33 from the ~~sports tourism infrastructure program fund created in~~
34 section 15F.404 fund for infrastructure projects located in a
35 reinvestment district as defined and approved by the authority

1 pursuant to [section 15J.4](#) or to applicants that have received a
2 rebate of sales tax imposed and collected by retailers pursuant
3 to [section 423.4, subsection 5](#).

4 Sec. 10. Section 15F.401, subsection 4, paragraph b, Code
5 2024, is amended to read as follows:

6 *b.* An applicant under the program shall not receive
7 financial assistance from the ~~sports tourism marketing~~
8 ~~program fund created in [section 15F.403](#) or the sports tourism~~
9 ~~infrastructure program fund created in [section 15F.404](#) fund~~
10 in an amount exceeding fifty percent of the total cost of the
11 project.

12 Sec. 11. Section 15F.401, subsection 5, Code 2024, is
13 amended to read as follows:

14 5. The board shall make final funding decisions on
15 each application and may approve, deny, defer, or modify
16 applications for financial assistance under the sports tourism
17 ~~marketing and~~ infrastructure program, in its discretion, in
18 order to fund as many projects with the moneys available as
19 possible. The board and the authority may negotiate with
20 applicants regarding the details of projects and the amount and
21 terms of any award. ~~The total amount of financial assistance~~
22 ~~provided to an applicant from the sports tourism marketing~~
23 ~~program fund created in [section 15F.403](#) in any one fiscal year~~
24 ~~shall not exceed five hundred thousand dollars.~~ In making
25 final funding decisions pursuant to [this subsection](#), the board
26 and the authority are exempt from [chapter 17A](#).

27 Sec. 12. Section 15F.401, subsection 6, Code 2024, is
28 amended by striking the subsection and inserting in lieu
29 thereof the following:

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

33 Sec. 13. Section 15F.402, subsections 1 and 2, Code 2024,
34 are amended to read as follows:

35 1. Applications for assistance under the sports tourism

1 ~~marketing and~~ infrastructure program established in section
2 15F.401 shall be submitted to the authority. For those
3 applications that meet the eligibility criteria, the authority
4 shall forward the applications to the board and provide a staff
5 review analysis and evaluation to the sports tourism program
6 review committee referred to in [subsection 2](#) and to the board.

7 2. A review committee composed of five members of the
8 board shall review sports tourism ~~marketing and~~ infrastructure
9 program applications forwarded to the board and make
10 recommendations regarding the applications to the authority.
11 The review committee shall consist of members of the board,
12 with one member from each congressional district under section
13 15F.102, subsection 2, paragraph "a", and one member from the
14 state at large under [section 15F.102, subsection 2](#), paragraph
15 "b".

16 Sec. 14. Section 15F.404, subsection 2, paragraph a, Code
17 2024, is amended to read as follows:

18 a. Moneys in the fund are appropriated to the authority for
19 purposes of providing financial assistance to cities, counties,
20 and eligible public entities under the sports tourism ~~marketing~~
21 ~~and~~ infrastructure program established and administered
22 pursuant to [this subchapter](#).

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

24 Sec. 16. TRANSFER OF MONEYS. On the effective date of
25 this division of this Act, any moneys remaining in the sports
26 tourism marketing program fund in section 15F.403, Code 2024,
27 shall be transferred to the Iowa major events tourism fund
28 established in section 15G.104, as enacted in division I of
29 this Act.

30

EXPLANATION

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

33 This bill establishes the Iowa major events and tourism
34 program and fund and modifies the sports tourism and marketing
35 infrastructure program.

1 DIVISION I — IOWA MAJOR EVENTS AND TOURISM PROGRAM AND
2 FUND. The bill requires the economic development authority
3 (authority) to establish an Iowa major events and tourism
4 program (program) and an Iowa major events and tourism fund
5 (fund), and to administer the program.

6 The purpose of the program is to provide financial
7 assistance including but not limited to grants to an entity
8 supporting an event in this state, or an event involving a
9 geographic region that includes this state, and the event
10 generates large attendance, significant publicity, and
11 measurable economic impact on this state. The financial
12 assistance includes payment or reimbursement of costs incurred
13 by the entity to apply or bid for selection as the site
14 event, to plan or conduct the event, and to pay or reimburse
15 any related fees including hosting fees, sanctioning fees,
16 participation fees, operational fees, and bid fees.

17 The bill defines "entity" to mean an Iowa nonprofit
18 organization established to promote economic development
19 and tourism in an area. The bill defines "event" to mean a
20 tourism-oriented athletic contest, convention, music festival,
21 or art festival.

22 The bill requires the authority to establish eligibility
23 criteria for the program by rule. The eligibility criteria
24 must include the requirement that the entity be currently
25 involved in the bidding and selection process for the event the
26 application is based upon; and that the entity must submit an
27 economic analysis of the event with the entity's application
28 that includes but is not limited to projected hotel and
29 motel room occupancies, and the projected number of attendees
30 the event attracts from this state, other states, and other
31 countries.

32 An application is deemed to meet all eligibility criteria
33 if the state is selected as the event site after a highly
34 competitive bidding and selection process involving sites
35 in other states, if this state serves as the sole site for

1 the event, or if the sole site for the event involves a
2 geographical region that includes this state and one or more
3 contiguous states.

4 If an entity's application meets the eligibility criteria
5 established in the bill, the staff of the authority must
6 perform an evaluation of the application and forward the
7 application and evaluation to the economic development
8 authority board (board). In evaluating an application, the
9 bill requires the authority to consider the impact on the
10 economy, the potential to attract visitors, advertising and
11 media coverage, public-to-private investment ratios, and the
12 quality, size, and scope of the event.

13 Upon review of the staff evaluation, the board may approve,
14 deny, defer, or modify the application. The bill allows the
15 board and the authority to negotiate with the entity regarding
16 the details of the event and the amount and terms of the
17 financial assistance.

18 An application remains eligible for consideration by the
19 board for up to two years from the date of receipt of the
20 application by the board.

21 The bill requires applicants to demonstrate the ability to
22 provide matching funds equal to at least 50 percent of the
23 financial assistance awarded to the applicant.

24 The bill requires the authority to establish a fund for the
25 purposes of providing financial assistance under the program.
26 The authority may administer the fund as a revolving fund.
27 Moneys in the fund that remain unencumbered or unobligated
28 at the close of the fiscal year do not revert and remain
29 available until the close of the fiscal year following the
30 succeeding fiscal year. Moneys in the fund that are encumbered
31 or obligated pursuant to financial assistance awarded under
32 the program shall be disbursed by the authority within five
33 years of the date of encumbrance or obligation, or the moneys
34 shall revert to the state treasury. Moneys in the fund are
35 appropriated to the authority to provide financial assistance

1 to an entity under the program.

2 An entity that is awarded financial assistance pursuant to
3 the bill is not eligible to receive financial assistance under
4 the sports tourism infrastructure program.

5 DIVISION II — APPROPRIATIONS FROM SPORTS WAGERING RECEIPTS
6 FUND. In FY 2024-2025, the bill appropriates \$15 million from
7 the sports receipts wagering fund to the Iowa major tourism
8 events and tourism fund.

9 DIVISION III — SPORTS TOURISM MARKETING PROGRAM AND FUND
10 — REPEAL. The bill modifies the sports tourism marketing
11 and infrastructure program by repealing the sports tourism
12 marketing program and fund. The bill retains the sports
13 tourism infrastructure program and fund. Upon the effective
14 date of the division, the bill transfers the remaining moneys
15 in the sports tourism marketing program fund to the Iowa major
16 events and tourism program fund.