**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 69 TO TITLE 12 SO AS TO ENACT THE ‘MOTORSPORTS ENTERTAINMENT COMPLEX INVESTMENT ACT’ BY EXEMPTING CERTAIN BUILDING MATERIALS FOR A COMPLEX FROM THE SALES TAX AND TO PROVIDE THE PROCESS BY WHICH A QUALIFIED COMPANY MAY CLAIM THE EXEMPTION, TO CREATE THE MOTORSPORTS TOURISM INCENTIVE FUND TO AWARD GRANTS OR LOANS TO ATTRACT AND EXPAND TOURISM AND HOSPITALITY PROJECTS RELATED TO EVENTS AT SUCH COMPLEXES, TO PROVIDE THAT A COMPLEX IS ELIGIBLE FOR BENEFITS FROM THE CLOSING FUND, TO ALLOW A TAX CREDIT OF TWENTY‑FIVE PERCENT OF THE COSTS INCURRED BY A TAXPAYER TO INSTALL EQUIPMENT OR TECHNOLOGY THAT ALLOWS INFORMATION TO BE TRANSMITTED THROUGH A WIRELESS LOCAL AREA NETWORK AT A COMPLEX; TO AMEND SECTION 12‑20‑110, RELATING TO THE APPLICABILITY OF CORPORATION LICENSE FEE PROVISIONS, SO AS TO MAKE SUCH PROVISIONS INAPPLICABLE TO A COMPLEX; AND TO AMEND SECTION 12‑21‑2425, RELATING TO THE ADMISSION LICENSE TAX, SO AS TO INCREASE THE EXEMPTION ON A COMPLEX, TO REMOVE THE TIME PERIOD FOR THE EXEMPTION, AND TO PROVIDE THAT THE EXEMPTED REVENUE MUST BE USED ON MARKETING FOR EVENTS AT THE COMPLEX.

Whereas, since 1950, with the inaugural running of the Southern 500, the first stock car race on a paved track, South Carolina has served as a cornerstone in the development of stock car racing, one of the fastest growing and most popular spectator sports in the country; and

Whereas, South Carolina lays claim to many of the legends of NASCAR racing, including Rex White, David Pearson, Bud Moore, James Hylton, Tiny Lund, and Cale Yarborough; and

Whereas, the State of South Carolina is rich in historical references to the sport of stock car racing, as evidenced by the Darlington Raceway Stock Car Museum and the National Motorsports Press Association Hall of Fame, in addition to dirt raceways across the State of South Carolina that served as home to the fledgling sport of NASCAR racing in the 1950s; and

Whereas, the NASCAR events in South Carolina focus our nation’s attention and the attention of the world upon our great State as a sport and tourism destination each year; and

Whereas, the annual economic impact that NASCAR racing has on South Carolina is in excess of fifty million dollars, as NASCAR fans from across the country and around the world visit the State each year to attend racing events and then vacation in communities throughout the Palmetto State. Now, therefore

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Title 12 of the 1976 Code is amended by adding:

“CHAPTER 69

Motorsports Entertainment Complex Investment

Section 12‑69‑10. This chapter may be cited as the ‘Motorsports Entertainment Complex Investment Act’.

Section 12‑69‑20. For purposes of this chapter:

(1) ‘Company’ means any corporation, partnership, limited liability company, or other business entity.

(2) ‘Motorsports entertainment complex’ has the same meaning as provided in Section 12‑21‑2425.

Section 12‑69‑30. (A) A company, upon making application for, meeting the requirements of, and receiving written certification of that designation from the Department of Parks, Recreation and Tourism, as provided in subsection (B), is exempt from state and local sales tax on building materials, supplies, fixtures, and equipment for the construction, repair, or improvement of or that become a part of a motorsports entertainment complex.

(B) A company shall become a qualified company by applying with the Department of Parks, Recreation, and Tourism. The Director of the Department of Parks, Recreation and Tourism shall approve the application so long as the application is accompanied by a practical plan to make a capital investment of at least ten million dollars on any motorsport entertainment complex in this State within the five‑year period immediately following the approval of the application. Upon receiving written certification from the department, a company may utilize the exemption specified in subsection (A).

(C) Once a company has met the requirements of subsection (B), the Department of Revenue shall issue a sales and use tax exemption certificate to the company as evidence of the exemption. The exemption is effective upon receipt and shall remain effective until December thirty‑first of the fifth full calendar year after its issuance. Once the exemption certificate is ineffective, the company must return the exemption certificate to the Department of Revenue and submit a report to the department of the actual expenditures made in South Carolina in connection with the investment. The company must designate a member or representative of the company to work with the Department of Parks, Recreation, and Tourism and the Department of Revenue on reporting of the investment.

(D) A company that is approved and receives a sales and use tax exemption certificate but fails to meet the capital investment requirements within the five‑year period, is liable for the sales and use taxes that would have been paid had the approval not been granted in the same proportion as the actual capital investment failed to meet the required capital investment. The company must be given a sixty‑day period in which to pay the sales and use taxes without incurring penalties. The sales and use taxes are considered due as of the date the tangible personal property was purchased in or brought into South Carolina for use, storage, or consumption.

(E) At the time the company is certified by the Department of Parks, Recreation and Tourism, it may make an irrevocable assignment of future payments attributable to the rebates made pursuant to this section. For purposes of this section, ‘designated trustee’ means the single financier or financial institution designated by the council to receive all assignments of payments made pursuant to this chapter and to the terms of an agreement entered into by the company. If a company elects to assign payments to the designated trustee, the election must be made on a form provided by the Department of Parks, Recreation and Tourism, including a waiver of confidentiality pursuant to Section 12‑54‑240, and the payments may be paid only to the designated trustee. The company must file an application for the assignment with the director of the Department of Parks, Recreation and Tourism no later than sixty days after certification.

Section 12‑69‑50. (A) There is created in the State Treasury the Motorsports Tourism Incentive Fund. This fund is separate and distinct from the general fund of the State and all other funds. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. The fund must be used by the Department of Parks, Recreation and Tourism solely for the purpose of awarding grants or loans to attract and expand tourism and hospitality projects related to events at motorsports entertainment complexes.

(B) To qualify for an award from the fund, a qualifying company must make a minimum capital investment in this State of at least ten million dollars. However, the capital investment requirement may be reduced by one‑half if the capital investment is made in a Tier III or Tier IV county, pursuant to Section 12‑6‑3360.

(C) Funds may be used for public and private utility extension or capacity development on and off site, road, or other transportation access costs beyond the funding capability of existing programs, site acquisition, grading, drainage, paving, and any other activity required to prepare a site for construction, construction or build‑out of publicly or privately owned buildings, training, or grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision for purposes directly relating to any of the foregoing. However, funds may not be used, directly or indirectly, to pay or guarantee the payment for any rental, lease, license, or other contractual right to the use of any property.

Section 12‑69‑70. In awarding benefits for economic development projects, including awards from the Governor’s Closing Fund, the Department of Commerce and the coordinating council must consider motorsports entertainment complexes. The Department of Commerce and the coordinating council must consider the number of jobs created, including part‑time, the total investment made, including the cost of the real property, and the statewide economic impact.

Section 12‑69‑80. (A) There is allowed a credit against any tax imposed pursuant to this title of twenty‑five percent of the costs incurred by a taxpayer to install equipment or technology that allows information to be transmitted through a wireless local area network (LAN) at a motorsports entertainment complex. The percentage amount to which the credit allowed by this section applies, must be increased by five percent if the motorsports entertainment complex is located in a Tier II county, ten percent if located in a Tier III county, and fifteen percent if located in a Tier IV county, as determined by the Department of Revenue pursuant to Section 12‑6‑3360. Any unused credits may be carried forward for ten years after the tax year in which the costs were incurred.”

SECTION 2. Section 12‑20‑110 of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( ) a motorsports entertainment complex, as that term is defined in Section 12‑21‑2425.”

SECTION 3. Section 12‑21‑2425(A) of the 1976 Code is amended to read:

“(A) In addition to the exemptions allowed from the admissions license tax imposed pursuant to Section 12‑21‑2420 of the 1976 Code, there is also exempt from that tax ~~for ten years beginning July 1, 2008, one‑half of~~ the paid admissions to a motorsports entertainment complex. The total amount of admissions license tax exempted pursuant to this section must be used on marketing for events at the motorsports entertainment complex.”

SECTION 4. This act takes effect upon approval by the Governor and applies to tax years beginning after 2016.

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