



Senate

General Assembly

File No. 407

February Session, 2010

Substitute Senate Bill No. 455

Senate, April 8, 2010

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE CONNECTICUT SPORTS AND MARKETING CORPORATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2010*) On or before January 1, 2011,
2 and annually thereafter, the Connecticut Sports and Marketing
3 Corporation, established in section 2 of this act, shall provide a report
4 to the Governor and to the joint standing committee of the General
5 Assembly having cognizance of matters relating to commerce. The
6 report shall summarize the corporation's annual budget and activities,
7 including, but not limited to, the economic impact that sports and
8 sporting events and activities have had on the state in the preceding
9 year.

10 Sec. 2. (*Effective July 1, 2010*) (a) There is established a body politic
11 and corporate of perpetual duration to be known as the Connecticut
12 Sports and Marketing Corporation.

13 (b) The board of directors of the corporation shall have the power to

14 adopt and amend bylaws on behalf of, and for the governance of the
15 affairs of, the corporation.

16 (c) The corporation shall operate under the management of its board
17 of directors, which shall be self-perpetuating. The initial board of
18 directors shall consist of not more than twenty-one members,
19 excluding ex-officio members. The first board of directors shall be
20 appointed by the members of the Sports Advisory Board, established
21 pursuant to section 10-425 of the general statutes, and shall include: (1)
22 One member who shall be knowledgeable on raising funds from
23 private sources to promote and market sports and sporting events and
24 activities; (2) four members from The University of Connecticut or the
25 Connecticut State University System, as defined in section 10a-1 of the
26 general statutes, or a private university or college, one each of whom
27 shall represent the western, southern, central and eastern parts of the
28 state; (3) one member who shall represent a state-wide business
29 organization; (4) three members who shall represent sports venues or
30 arenas capable of hosting events with ten thousand or more spectators
31 or attendees; (5) four members who shall represent professional sports,
32 including, but not limited to, golf, tennis, auto racing, baseball, boxing
33 and hockey; (6) six members who shall represent amateur sports
34 associations or organizations; and (7) two members who shall
35 represent state amateur sports festivals. Thereafter, members shall be
36 elected as provided in the bylaws of the corporation. The bylaws shall
37 provide that the Commissioner of Economic and Community
38 Development, the Secretary of the Office of Policy and Management,
39 the executive director of the Commission on Culture and Tourism, the
40 chairpersons and ranking members of the joint standing committee of
41 the General Assembly having cognizance of matters relating to
42 commerce, or their respective designees, shall be ex-officio members of
43 the board of directors who may not vote or be counted in determining
44 a quorum, as provided in the bylaws. As may be further provided in
45 the bylaws, the terms of elected members of the board of directors may
46 be staggered by dividing the members into up to three groups so that
47 approximately an equal number of such members have terms that
48 expire each year.

49 Sec. 3. (*Effective July 1, 2010*) (a) The general purpose of the
50 corporation is to promote, attract, retain and market amateur,
51 collegiate, semiprofessional and professional sports and sporting
52 events and activities, as such sports, events and activities contribute
53 significantly to the economic vitality and quality of life in Connecticut.

54 (b) The powers of the Connecticut Sports and Marketing
55 Corporation board shall include, but are not limited to:

56 (1) Developing incorporated bylaws necessary to conduct business
57 and to develop an organizational structure;

58 (2) Preparing and defining long-range and short-range goals and
59 performance objectives for the corporation;

60 (3) Establishing a structure of dues for membership organizations
61 and individuals;

62 (4) Establishing and assigning committees and committee
63 chairpersons to accomplish specific goals and objectives. Said
64 committees may be comprised of both board members and nonboard
65 members with expertise in the work of the corporation;

66 (5) Providing general oversight of the corporation's sponsorship and
67 fundraising activities, including the establishment of general
68 fundraising policies and guidelines;

69 (6) Assisting in marketing of state sporting events and providing
70 support to other state groups competing for additional sporting events
71 and opportunities;

72 (7) Maintaining an inventory of all amateur, collegiate,
73 semiprofessional and professional sports and sporting events in
74 Connecticut and maintaining a web site of scheduled sporting
75 activities and events state-wide;

76 (8) Representing the state at industry-related events and
77 tradeshow;

78 (9) Establishing a nonprofit foundation and raising funds from
79 private sources to encourage the development, promotion and
80 marketing of sports events and activities in the state;

81 (10) Performing such other acts as may be necessary or appropriate
82 to carry out the objectives and mission of the corporation; and

83 (11) Acquiring or receiving property or money for its purposes by
84 the acceptance of loans, contributions, gifts, grants, donations,
85 bequests or devises whether from federal, state, public or private
86 sources.

87 Sec. 4. (*Effective July 1, 2010*) In addition to the powers set forth in
88 section 3 of this act, the corporation may engage in any lawful act and
89 activity consistent with sections 2 and 3 of this act for which
90 corporations may be formed under chapter 602 of the general statutes,
91 the Revised Nonstock Corporation Act, or any successor act, including,
92 but not limited to: (1) All powers conferred upon corporations or
93 organizations by the general statutes; (2) to sue and be sued, complain
94 and defend in its corporate name; (3) to purchase, receive, lease or
95 otherwise acquire, and own, hold, improve, use and otherwise deal
96 with real or personal property, or any legal or equitable interest in
97 property, wherever located, including the power to take property of
98 any description or any interest therein by gift, devise or bequest; (4) to
99 sell, convey, mortgage, pledge, lease, exchange or otherwise dispose of
100 all or any part of its property; (5) to purchase, receive, subscribe for or
101 otherwise acquire, own, hold, vote, use, sell, mortgage, lend, pledge or
102 otherwise dispose of, and deal in and with shares or other interests in,
103 or obligations of, any other entity; (6) to make contracts and
104 guarantees, incur liabilities, borrow money, issue its notes, bonds and
105 other obligations, and secure any of its obligations by mortgage or
106 pledge of any of its property, franchises or income; (7) to invest and
107 reinvest its funds; (8) to conduct its activities, locate offices and
108 exercise the powers granted by section 2 to 14, inclusive, of this act
109 within or without this state; (9) to appoint officers, employees and
110 agents of the corporation, define their duties and fix their

111 compensation; (10) to make donations not inconsistent with law for the
112 public welfare or for charitable, scientific or educational purposes and
113 for other purposes that further the corporate interest; (11) to make
114 payments or donations, or do any other act, not inconsistent with law,
115 that furthers the activities and affairs of the corporation; and (12) to do
116 all acts and things necessary or convenient to carry out the purposes of
117 sections 2 to 14, inclusive, of this act.

118 Sec. 5. (*Effective July 1, 2010*) Neither the net earnings of the
119 corporation nor any part thereof may be distributed to or inure to the
120 benefit of any private individual or a director or officer of the
121 corporation. Nothing in sections 2 to 14, inclusive, of this act, shall
122 restrict the right of the corporation to reasonably compensate any
123 officer or director for services rendered to the corporation or to
124 reimburse any officer or director for expenses, disbursements or
125 liabilities properly made or incurred on account of that officer's or
126 director's service to the corporation.

127 Sec. 6. (*Effective July 1, 2010*) No substantial part of the activities of
128 the corporation may consist of carrying on propaganda or attempting
129 to influence legislation. The corporation may not participate in or
130 intervene in any political campaign on behalf of or in opposition to any
131 candidate for public office, including the publication or distribution of
132 statements.

133 Sec. 7. (NEW) (*Effective July 1, 2010*) It shall not constitute a conflict
134 of interest for a trustee, director, partner or officer of any person, firm
135 or corporation, or any individual having a financial interest in a
136 person, firm or corporation, to serve as a member of the board of
137 directors of the Connecticut Sports and Marketing Corporation,
138 provided such trustee, director, partner, officer or individual shall
139 abstain from deliberation, action or vote by the Connecticut Sports and
140 Marketing Corporation in specific respect to such person, firm or
141 corporation.

142 Sec. 8. (*Effective July 1, 2010*) Upon dissolution of the corporation, the
143 board of directors shall dispose of and distribute the assets remaining,

144 after payment of all liabilities, exclusively for the purposes of the
145 corporation, to one or more organizations organized exclusively for
146 charitable, educational, religious or scientific purposes which shall be
147 then exempt from federal taxation as an organization or organizations
148 described in Section 501(c)(3) of the Internal Revenue Code in such
149 proportions and amounts and in such manner as the board of directors
150 shall determine. No part of the corporation's assets shall ever be
151 distributed to its directors or officers, or inure to the benefit of any
152 private individual.

153 Sec. 9. (*Effective July 1, 2010*) The personal liability of a director of the
154 corporation to the corporation for monetary damages for breach of
155 duty as a director of the corporation shall be limited to the fullest
156 extent permitted by the general statutes or any other applicable laws
157 presently or hereafter in effect, without having to recite such limitation
158 in this section or any amendment thereof.

159 Sec. 10. (*Effective July 1, 2010*) The corporation shall provide to its
160 directors and officers the full amount of indemnification that the
161 corporation is permitted to provide to such directors and officers,
162 including, but not limited to, the advancement of expenses, pursuant
163 to the general statutes or any other applicable laws presently or
164 hereafter in effect.

165 Sec. 11. (*Effective July 1, 2010*) The corporation and the Executive
166 Branch, or any subdivision thereof, may enter into a written agreement
167 for use by the corporation of the facilities and resources of the
168 Executive Branch, including, but not limited to, office space, storage
169 space, office furniture and equipment, utilities, photocopying services,
170 computer systems and archives and other historical materials and
171 information, provided the Executive Branch shall have no liability for
172 the obligations, acts or omissions of the corporation, and the
173 corporation need reimburse the Executive Branch only for expenses
174 the Executive Branch incurs as a result of the operations of the
175 corporation that the Executive Branch would not have otherwise
176 incurred.

177 Sec. 12. (*Effective July 1, 2010*) As used in sections 2 to 14, inclusive,
 178 of this act "Internal Revenue Code" means the Internal Revenue Code
 179 of 1986, or any subsequent corresponding internal revenue code of the
 180 United States, as amended from time to time. References in sections 2
 181 to 14, inclusive, of this act to a section of the Internal Revenue Code
 182 shall be construed to refer to both such section and to the regulations
 183 promulgated thereunder, or any successor section, as it now exists or
 184 may hereafter be amended.

185 Sec. 13. (*Effective July 1, 2010*) The corporation's registered office and
 186 registered agent shall be as provided in the bylaws of the corporation.

187 Sec. 14. (*Effective July 1, 2010*) A copy of sections 2 to 14, inclusive, of
 188 this act shall be filed with the Secretary of the State, in accordance with
 189 the requirements of section 33-1201 of the general statutes, not later
 190 than one hundred twenty days after the first meeting of the board of
 191 directors.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	New section
Sec. 2	<i>July 1, 2010</i>	New section
Sec. 3	<i>July 1, 2010</i>	New section
Sec. 4	<i>July 1, 2010</i>	New section
Sec. 5	<i>July 1, 2010</i>	New section
Sec. 6	<i>July 1, 2010</i>	New section
Sec. 7	<i>July 1, 2010</i>	New section
Sec. 8	<i>July 1, 2010</i>	New section
Sec. 9	<i>July 1, 2010</i>	New section
Sec. 10	<i>July 1, 2010</i>	New section
Sec. 11	<i>July 1, 2010</i>	New section
Sec. 12	<i>July 1, 2010</i>	New section
Sec. 13	<i>July 1, 2010</i>	New section
Sec. 14	<i>July 1, 2010</i>	New section

CE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Various State Agencies	GF - None	None	None
Legislative Mgmt.	GF - Cost	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes the Connecticut Sports and Marketing Corporation, which is not a state or quasi-public agency, thus there is no fiscal impact. The bill requires the corporation's bylaws to appoint various agency heads and representatives which results in no fiscal impact. The bill also requires that the corporation's bylaws appoint the chairs and ranking members of the Commerce Committee; this will result in minimal costs to the Office of Legislative Management (OLM) associated with mileage reimbursement of 50 cents per mile.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 455*****AN ACT CONCERNING THE CONNECTICUT SPORTS AND MARKETING CORPORATION.*****SUMMARY:**

This bill creates the Connecticut Sports and Marketing Corporation to promote, attract, retain, and market all levels of sports and sporting events in the state. A 21-member board governs the corporation, which the bill empowers to inventory sports and sports events, maintain a website of sports events, and support other sports-related groups. By giving the corporation the status of a nonstock corporation, the bill also enables it to acquire and dispose of real and personal property, sell bonds, and invest in stocks.

EFFECTIVE DATE: July 1, 2010

CONNECTICUT SPORTS AND MARKETING CORPORATION***Powers***

The bill (1) empowers the corporation to perform specific, sports-related functions; (2) authorizes it to perform functions related to its organization; and (3) gives it all the powers of a nonstock corporation. The corporation's sports-related powers are to:

1. inventory all amateur, collegiate, semiprofessional, and professional sports and sports events in the state;
2. maintain a website of scheduled sports events and activities statewide;
3. help market state sports events and support other groups in the state competing for additional sports events and opportunities;
4. represent the state at industry events and trade shows;

5. raise private funds to encourage the development, promotion, and marketing of sports events and activities in the state (it can apparently do this on its own or through a nonprofit foundation the bill authorizes it to establish); and
6. acquire or receive property or money from federal, state, public, or private sources through loans, grants, gifts, or donations.

The bill gives the corporation the organizational power to: (1) adopt bylaws; (2) develop an organizational structure; (3) prepare operational goals and objectives; (4) establish a membership dues structure; (5) establish committees for specific purposes, which can include both board members and outside members with expertise in the corporation's work; and (6) oversee its sponsorship and fundraising activities, including adopting policies and guidelines.

Finally, the bill permits the corporation to engage in any lawful activity, consistent with its legislative authorization, that a Connecticut nonstock corporation can. These include the power to:

1. sue and be sued;
2. acquire, own, hold, improve, and use real or personal property or interest in property;
3. sell, convey, mortgage, or otherwise dispose of its property;
4. acquire, own, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of, and deal in and with shares or other interests in, or obligations of, any other entity;
5. borrow money and issue notes, bonds, and other obligations, which it can secure by mortgage or pledge of its property or income;
6. invest and reinvest its funds and;
7. appoint, assign duties to, and compensate officers, employees, and agents.

Board Membership

The bill creates an initial, 21-member board of directors selected by the Sports Advisory Board. This board is a 24-member body established by law by the Connecticut Commission on Culture and Tourism executive director. The corporation's initial board must include the following:

1. one person knowledgeable in private, sports-related fundraising;
2. four people from UConn, the state university system, or private colleges, each representing a geographic area of the state;
3. one person representing a statewide business organization;
4. three people representing sports venues with 10,000 or more seats;
5. four people representing professional sports;
6. six people representing amateur sports associations or organizations; and
7. two people representing state amateur sports festivals.

The bill does not specify for how long these initial directors serve, but this could be determined in the by-laws.

The corporation's subsequent directors are elected according to its by-laws. The bill permits the by-laws to provide for staggered terms by dividing the directors into three groups. It requires the by-laws to include the Office of Policy and Management secretary, the economic and community development commissioner, the Connecticut Commission on Culture and Tourism's executive director, and the Commerce Committee's chairpersons and ranking members, or their designees, as ex-officio, non-voting board members. The ex-officio members cannot be counted to determine a quorum.

The bill specifies that it is not a conflict of interest for board

members to have a financial interest in any entity as long as they do not deliberate, act, or vote on any matter related to that entity.

Other Provisions

The bill:

1. permits the corporation to compensate the directors and other officers for their services and for expenses, disbursements, and liabilities made on account of their services;
2. prohibits any of the corporation's net earnings or assets from being distributed or inuring to any director or other private person;
3. prohibits the corporation (but not specifically individual directors) from lobbying on legislation or participating in political campaigns (it does not prohibit attempts to influence Executive Branch agencies' administrative actions);
4. makes directors personal liable to the corporation for breach of directorial duty to the fullest extent provided by law;
5. requires the corporation to fully indemnify its directors and officers, including advancing expenses;
6. beginning January 1, 2011, requires the corporation to summarize its budget and activities in an annual report to the Commerce Committee; and
7. permits the corporation to contract with the Executive Branch to use facilities and resources such as office and storage space, furniture and equipment, utilities, and computers, provided the Executive Branch has no liability for the corporation's obligations, acts, or omissions. The bill limits any reimbursement the corporation makes to the Executive Branch to the expenses the executive incurs that it would not have otherwise incurred save for the corporation's operation.

If the corporation dissolves, the bill requires the directors to dispose of and distribute its remaining assets to tax-exempt organizations.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/23/2010)