

SENATE SUBSTITUTE  
FOR  
SENATE BILL NO. 863  
AN ACT

To amend chapter 167, RSMo, by adding thereto one new section relating to statewide activities associations.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 167, RSMo, is amended by adding thereto  
2 one new section, to be known as section 167.795, to read as  
3 follows:

167.795. 1. For purposes of this section, the  
2 following terms mean:

3 (1) "Activities association", any nonprofit statewide  
4 organization that satisfies the following criteria:

5 (a) The organization facilitates interscholastic  
6 activities for secondary school students, including, but not  
7 limited to, interscholastic athletic activities;

8 (b) More than fifty percent of the activities  
9 facilitated by the organization are interscholastic athletic  
10 activities; and

11 (c) The organization's members include at least one  
12 public school or school district that pays any fees to such  
13 association, including, but not limited to, activity  
14 participation fees, tournament registration fees, membership  
15 fees, or any other fees or payments relating to membership  
16 in the organization or participation in any activities  
17 facilitated by the organization;

18 (d) The term "activities association" does not include  
19 organizations that do not facilitate interscholastic  
20 athletic activities. Such organizations may include, but  
21 are not limited to, career and technical student

22 organizations, academic honor societies, service  
23 organizations, leadership organizations, or other student  
24 clubs or organizations that do not facilitate  
25 interscholastic athletic activities;

26 (2) "Board of directors" or "board", a public  
27 governmental body responsible for overseeing activities  
28 associations pursuant to the provisions of this section;

29 (3) "Department", the department of elementary and  
30 secondary education;

31 (4) "Public school", as defined in section 160.011.  
32 The term shall be construed to include a charter school.

33 2. Notwithstanding any provision of law to the  
34 contrary, an activities association shall be overseen by the  
35 "Interscholastic Athletic Activities Oversight Board", a  
36 board of directors appointed by the governor, by and with  
37 the advice and consent of the senate. The board is  
38 established within the department of elementary and  
39 secondary education for administrative purposes. The  
40 department shall provide sufficient administrative and  
41 financial personnel to support the work of the board,  
42 including, but not limited to, staffing board meetings,  
43 promulgating rules concerning the timelines of each phase of  
44 the appeals process, and assisting the board in the  
45 distribution of funds as provided in subdivision (3) of  
46 subsection 4 of this section.

47 3. The board of directors shall consist of five  
48 members. The term of office of each member shall be four  
49 years, except that of the initial appointed members, two  
50 members shall serve terms of two years and three members  
51 shall serve terms of four years. At the expiration of the  
52 term of each member, the governor, by and with the advice  
53 and consent of the senate, shall appoint a successor. If  
54 the general assembly is not in session at the time for

55 making an appointment, the governor shall make a temporary  
56 appointment as in the case of a vacancy.

57 4. The board shall have the power and duty to:

58 (1) Employ an executive director to oversee the day to  
59 day operations of the activities association that directly  
60 or indirectly affect a public school or school district of  
61 this state, including oversight of administrative procedures  
62 by which bylaws, rules, requirements, or procedures are  
63 developed and submitted for consideration and adoption by  
64 members of the activities association. Nothing in this  
65 subdivision shall be construed to authorize the board or  
66 executive director to unilaterally adopt bylaws, rules,  
67 requirements, or procedures for an activities association or  
68 the members thereof, except as expressly authorized under  
69 this section or other applicable state law;

70 (2) Serve as the appellate body responsible for  
71 handling appeals of decisions or rulings made by the  
72 activities association that directly or indirectly affect  
73 any public school or school district of this state; and

74 (3) Serve as the intermediary for the collection and  
75 transfer of any and all funds from public schools and school  
76 districts to the activities association, in amounts that  
77 accord with fees established under such association's bylaws  
78 or other policies, provided that:

79 (a) The board of directors shall receive funds from  
80 public schools and school districts in a custodial capacity  
81 and shall remit such funds to the activities association  
82 solely for purposes authorized under this section or other  
83 applicable state law;

84 (b) The board of directors shall distribute funds to  
85 the activities association on behalf of public schools and  
86 school districts at least once annually, notwithstanding any

87 bylaw or other policy of the activities association to the  
88 contrary; and

89 (c) The board of directors shall establish a process  
90 for the activities association to submit a request to the  
91 board to change the amount or timing of payments, as needed;  
92 provided that, any such request shall be considered by the  
93 board of directors at the board's sole discretion.

94 5. (1) A public school or school district shall not  
95 make any direct payment to an activities association. All  
96 public school funding distributed to an activities  
97 association shall be distributed only as provided in this  
98 section.

99 (2) An activities association shall not submit any  
100 invoice or bill to a public school or school district or  
101 otherwise request, require, or attempt to receive any direct  
102 payment from a public school or school district.

103 (3) If a public school or school district attempts to  
104 remit funds directly to an activities association, the  
105 activities association shall decline to receive such funds  
106 or shall return such funds, as appropriate, and shall notify  
107 such public school or school district of the provisions of  
108 this section.

109 (4) The board of directors may impose a financial  
110 penalty against an activities association that violates any  
111 provision of this subsection. Such financial penalty shall  
112 be in the form of a deduction from funds to which the  
113 activities association would otherwise be entitled under  
114 subdivision (3) of subsection 4 of this section.

115 6. An activities association shall present  
116 comprehensive financial statements to the board of directors  
117 three times per year, on dates established by the board.  
118 Each financial statement shall include a full accounting of  
119 the activities association's assets, liabilities, revenues,

120 expenses, cash balances, and any other information requested  
121 by the board to provide sufficient detail to permit the  
122 board to assess the financial condition, revenues,  
123 expenditures, and compliance of the association.

124 7. There is hereby created in the state treasury the  
125 "Interscholastic Athletic Activities Oversight Fund", which  
126 shall consist of moneys collected pursuant to the provisions  
127 of this section. The state treasurer shall be custodian of  
128 the fund. In accordance with sections 30.170 and 30.180,  
129 the state treasurer may approve disbursements. The fund  
130 shall be a dedicated fund and money in the fund shall be  
131 used solely by the board of directors as provided in this  
132 section. Notwithstanding the provisions of section 33.080  
133 to the contrary, any moneys remaining in the fund at the end  
134 of the biennium shall not revert to the credit of the  
135 general revenue fund. The state treasurer shall invest  
136 moneys in the fund in the same manner as other funds are  
137 invested. Any interest and moneys earned on such  
138 investments shall be credited to the fund.

139 8. The state board of education shall promulgate rules  
140 as necessary to implement a fair and timely appeals process,  
141 including timelines for each stage of an appeal to be heard  
142 by the board of directors. Any rule or portion of a rule,  
143 as that term is defined in section 536.010, that is created  
144 under the authority delegated in this section shall become  
145 effective only if it complies with and is subject to all of  
146 the provisions of chapter 536 and, if applicable, section  
147 536.028. This section and chapter 536 are nonseverable and  
148 if any of the powers vested with the general assembly  
149 pursuant to chapter 536 to review, to delay the effective  
150 date, or to disapprove and annul a rule are subsequently  
151 held unconstitutional, then the grant of rulemaking

152 authority and any rule proposed or adopted after August 28,  
153 2026, shall be invalid and void.