

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.

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

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

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

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

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

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

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

(d) The term "activities association" does not include organizations that do not facilitate interscholastic athletic activities. Such organizations may include, but 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.