

## **BILL ANALYSIS**

C.S.S.B. 633

By: Fraser

Economic & Small Business Development  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Many interested parties believe that the events trust fund programs help communities offset the costs of hosting sporting and other events and encourage organizations to bring their events to Texas. These parties point out that the funds help attract visitors to Texas who increase state and local tax revenue by spending money at local businesses and restaurants. The parties contend that by using the programs to encourage organizations to look to Texas for possible locations to hold their events, Texas will continue to see growth in tourism revenue. C.S.S.B. 633 seeks to build on the success of the programs by providing for additional events to receive funding, among other provisions.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.S.B. 633 reenacts and amends Vernon's Texas Civil Statutes provisions regarding the Pan American Games trust fund to clarify the references in certain of those statutory provisions to deadlines for certain required actions by the comptroller of public accounts regarding related estimates and transfers.

C.S.S.B. 633 amends Vernon's Texas Civil Statutes to expand the definition of "event," for purposes of the Major Events trust fund, to include the National Collegiate Athletic Association men's or women's lacrosse championships, the World Cup soccer tournament, the Major League Soccer All-Star Game, the Major League Soccer Cup, the Professional Rodeo Cowboys Association National Finals Rodeo, an Elite Rodeo Association World Championship, the United States Open Championship, the Amateur Athletic Union Junior Olympic Games, the Moto Grand Prix of the United States, and a presidential general election debate. The bill expands the definition of "site selection organization" for such purposes to include Dorna Sports, the Amateur Athletic Union, the Professional Rodeo Cowboys Association, the Elite Rodeo Association, Major League Soccer, the United States Golf Association, and the Commission on Presidential Debates. The bill establishes that, for purposes of statutory provisions establishing the conditions under which a listed event may receive funding, each presidential general election debate in a series of presidential debates before a general election is considered a separate, single event.

C.S.S.B. 633 repeals Chapter 398, Local Government Code, which authorizes a municipality or

county, as authorized by its governing body, to host or assist in the presentation of a special event by using a portion of the sales tax generated by a special event to assist in paying expenses incurred in connection with the event.

**EFFECTIVE DATE**

September 1, 2015.

**COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 633 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

**SENATE ENGROSSED**

**HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. The heading to Section 4, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

No equivalent provision.

Sec. 4. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS; PAN AMERICAN GAMES REIMBURSEMENT [TRUST] FUND.

SECTION 2. Sections 4(b), (c), (d), (f), (g), (h), (j), (k), and (m), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

No equivalent provision.

(b) If a site selection organization selects a site for the games in this state pursuant to an application by a local organizing committee acting on behalf of an endorsing municipality, after the first occurrence of a measurable economic impact in this state as a result of the preparation for the games, as determined by the department [~~comptroller~~], but in no event later than one year before the scheduled opening event of the games, the department [~~comptroller~~] shall determine for each subsequent calendar quarter, in accordance with procedures developed by the department [~~comptroller~~]:

- (1) the incremental increase in the receipts to the state from the taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the games and related events;
- (2) the incremental increase in the receipts

collected by the state on behalf of the endorsing municipality from the sales and use tax imposed by the endorsing municipality under Section 321.101(a), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the games and related events; and

(3) the incremental increase in the receipts collected by the endorsing municipality from the municipality's hotel occupancy tax imposed under Chapter 351, Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the games and related events.

(c) For the purposes of Subsection (b)(1) of this section, the department [~~comptroller~~] shall designate as a market area for the games each area in which the department [~~comptroller~~] determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the games and related events, including areas likely to provide venues, accommodations, and services in connection with the games based on the proposal provided by the local organizing committee under Section 7 of this Act. The department [~~comptroller~~] shall determine the geographic boundaries of each market area. The endorsing municipality that has been selected as the site for the games must be included in a market area for the games.

(d) The comptroller, at the direction of the department, shall retain, for the purpose of guaranteeing the joint obligations of the state and the endorsing municipality under a games support contract and this Act, the amount of municipal sales and use tax revenue determined under Subsection (b)(2) of this section from the amounts otherwise required to be sent to the municipality under Section 321.502, Tax Code, beginning with the first distribution of that tax revenue that occurs after the date the department [~~comptroller~~] makes the determination of the amount of municipal sales and use tax revenue under Subsection (b)(2). The comptroller shall discontinue retaining municipal sales and use tax revenue under this subsection on the earlier of:

(1) the end of the third calendar month following the month in which the closing event of the games occurs; or

(2) the date the amount of municipal sales and use tax revenue and municipal hotel occupancy tax revenue in the Pan American Games reimbursement [~~trust~~] fund equals 14 percent of the maximum amount of state and municipal tax revenue that may be transferred to or deposited in the [~~trust~~] fund under Subsection (m) of this section.

(f) Subject to Subsection (m) of this section, the comptroller, at the direction of the department, shall deposit into a [~~trust~~] fund designated as the Pan American Games reimbursement [~~trust~~] fund the amount of municipal sales and use tax revenue retained under Subsection (d) of this section and, at the same time, shall transfer to the fund a portion of the state tax revenue determined by the department under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of that municipal sales and use tax revenue. Subject to Subsection (m) of this section, the endorsing municipality shall deposit into the [~~trust~~] fund the amount of the endorsing municipality's hotel occupancy tax revenue determined by the department under Subsection (b)(3) of this section. The endorsing municipality shall deposit that hotel occupancy tax revenue into the [~~trust~~] fund at least quarterly. When the endorsing municipality makes a deposit of its hotel occupancy tax revenue, the comptroller, at the direction of the department, shall transfer to the fund [~~deposit~~] at the same time a portion of the state tax revenue determined under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of that municipal hotel occupancy tax revenue. The Pan American Games reimbursement [~~trust~~] fund is established outside the treasury but is held in trust by the comptroller for the administration of this Act. Money in the [~~trust~~] fund may be spent by the department without appropriation only as provided by this Act. The comptroller shall discontinue transferring [~~depositing~~] into the [~~trust~~] fund any state tax revenue determined by the department under Subsection (b)(1) of this section on the earlier of:

(1) the end of the third calendar month following the month in which the closing event of the games occurs; or

(2) the date on which the amount of state revenue in the Pan American Games reimbursement [~~trust~~] fund equals 86 percent of the maximum amount of state and

municipal tax revenue that may be transferred to or deposited in the [~~trust~~] fund under Subsection (m) of this section.

(g) The department may use the money [~~funds~~] in the Pan American Games reimbursement [~~trust~~] fund only to fulfill joint obligations of the state and the endorsing municipality to a site selection organization under a games support contract or any other agreement providing assurances from the department or the endorsing municipality to a site selection organization.

(h) A local organizing committee shall provide information required by the department [~~comptroller~~] to enable the department [~~comptroller~~] to fulfill the department's [~~comptroller's~~] duties under this Act, including annual audited statements of the local organizing committee's financial records required by a site selection organization and data obtained by the local organizing committee relating to attendance at the games and to the economic impact of the games. A local organizing committee must provide an annual audited financial statement required by the department [~~comptroller~~] not later than the end of the fourth month after the date the period covered by the financial statement ends.

(j) The department may not make a disbursement from the Pan American Games reimbursement [~~trust~~] fund unless the department [~~comptroller~~] certifies that the disbursement is for a purpose for which the state and the endorsing municipality are jointly obligated under a games support contract or other agreement described by Subsection (g) of this section.

(k) If the department [~~comptroller~~] certifies under Subsection (j) of this section that a disbursement may be made from the Pan American Games reimbursement [~~trust~~] fund, the obligation shall be satisfied first out of municipal revenue deposited in the [~~trust~~] fund and any interest earned on that municipal revenue. If the municipal revenue is not sufficient to satisfy the entire deficit, state revenue transferred [~~deposited~~] into the [~~trust~~] fund and any interest earned on that state revenue shall be used to satisfy the portion of the deficit not covered by the municipal revenue.

(m) In no event may:

(1) the total amount of state and municipal tax revenue transferred to or deposited in the

Pan American Games reimbursement [~~trust~~] fund exceed \$20 million; or

(2) the joint liability of the state and the endorsing municipality under a joinder agreement and any other games support contracts entered into pursuant to this Act exceed the lesser of:

(A) \$20 million; or

(B) the total amount of revenue transferred to or deposited in the Pan American Games reimbursement [~~trust~~] fund and interest earned on the fund.

SECTION 3. Sections 4(i) and (l), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), as amended by Chapters 579 (H.B. 1675) and 814 (S.B. 275), Acts of the 78th Legislature, Regular Session, 2003, are reenacted and amended to read as follows:

(i) The department [~~comptroller~~] shall provide an estimate not later than September [~~December~~] 1 [~~2003~~] of the year that is eight years before the year in which the games would be held in this state of the total amount of state and municipal tax revenue that would be transferred to or deposited in the Pan American Games reimbursement [~~trust~~] fund before January 1 [~~2012~~] of the year following the year in which the games would be held, if the games were to be held in this state at a site selected pursuant to an application by a local organizing committee. The department [~~comptroller~~] shall provide the estimate on request to a local organizing committee. A local organizing committee may submit the department's [~~comptroller's~~] estimate to a site selection organization.

(l) On January 1 [~~2013~~] of the second year following the year in which the games are held in this state, the comptroller, at the direction of the department, shall transfer to the general revenue fund any money remaining in the Pan American Games reimbursement [~~trust~~] fund, not to exceed the amount of state revenue remaining in the [~~trust~~] fund, plus any interest earned on that state revenue. The comptroller shall remit to the endorsing municipality any money remaining in the [~~trust~~] fund after the required amount is transferred to the general revenue fund.

SECTION 1. Sections 4(i) and (l), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), as amended by Chapters 579 (H.B. 1675) and 814 (S.B. 275), Acts of the 78th Legislature, Regular Session, 2003, are reenacted and amended to read as follows:

(i) The comptroller shall provide an estimate not later than September [~~December~~] 1 [~~2003~~] of the year that is eight years before the year in which the games would be held in this state of the total amount of state and municipal tax revenue that would be deposited in the Pan American Games trust fund before January 1 [~~2012~~] of the year following the year in which the games would be held, if the games were to be held in this state at a site selected pursuant to an application by a local organizing committee. The comptroller shall provide the estimate on request to a local organizing committee. A local organizing committee may submit the comptroller's estimate to a site selection organization.

(l) On January 1 [~~2013~~] of the second year following the year in which the games are held in this state, the comptroller shall transfer to the general revenue fund any money remaining in the Pan American Games trust fund, not to exceed the amount of state revenue remaining in the trust fund, plus any interest earned on that state revenue. The comptroller shall remit to the endorsing municipality any money remaining in the trust fund after the required amount is transferred to the general revenue fund.

SECTION 4. The heading to Section 5, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 5. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS; OLYMPIC GAMES REIMBURSEMENT [~~TRUST~~] FUND.

No equivalent provision.

SECTION 5. Sections 5(b), (c), (d), (f), (g), (h), (i), (j), (k), (l), and (m), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

No equivalent provision.

(b) If a site selection organization selects a site for the games in this state pursuant to an application by a local organizing committee, after the first occurrence of a measurable economic impact in this state as a result of the preparation for the games, as determined by the department [~~comptroller~~], but in no event later than one year before the scheduled opening event of the games, the department [~~comptroller~~] shall determine for each subsequent calendar quarter, in accordance with procedures developed by the department [~~comptroller~~]:

(1) the incremental increase in the receipts to the state from the taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the games and related events;

(2) the incremental increase in the receipts collected by the state on behalf of each endorsing municipality from the sales and use tax imposed by the endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by the endorsing municipality under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the games and related events;

(3) the incremental increase in the receipts collected by the state on behalf of each endorsing county from the sales and use tax imposed by the county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue to be received by the

endorsing county under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the games and related events;

(4) the incremental increase in the receipts collected by each endorsing municipality from the hotel occupancy tax imposed under Chapter 351, Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the games and related events; and

(5) the incremental increase in the receipts collected by each endorsing county from the hotel occupancy tax imposed under Chapter 352, Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the games and related events.

(c) For the purposes of Subsection (b)(1) of this section, the department [~~comptroller~~] shall designate as a market area for the games each area in which the department [~~comptroller~~] determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the games and related events, including areas likely to provide venues, accommodations, and services in connection with the games based on the proposal provided by the local organizing committee under Section 7 of this Act. The department [~~comptroller~~] shall determine the geographic boundaries of each market area. Each endorsing municipality or endorsing county that has been selected as the site for the games must be included in a market area for the games.

(d) Subject to Section 6 of this Act, the comptroller, at the direction of the department, shall retain, for the purpose of guaranteeing the joint obligations of the state and an endorsing municipality or endorsing county under a games support contract and this Act, the amount of sales and use tax revenue and mixed beverage tax revenue determined under Subsection (b)(2) or (b)(3) of this section from the amounts otherwise required to be sent to the municipality under Section 183.051(b) or 321.502, Tax Code, or to the county under Section 183.051(b) or 323.502, Tax Code, beginning with the first distribution of that tax revenue that occurs after the date the department [~~comptroller~~]

makes the determination of the amount of sales and use tax revenue and mixed beverage tax revenue under Subsection (b)(2) or (b)(3) of this section. The comptroller shall discontinue retaining sales and use tax revenue and mixed beverage tax revenue under this subsection on the earlier of:

(1) the end of the third calendar month following the month in which the closing event of the games occurs; or

(2) the date the amount of local sales and use tax revenue and mixed beverage tax revenue in the Olympic Games reimbursement [~~trust~~] fund equals 14 percent of the maximum amount of state and local tax revenue that may be transferred to or deposited in the [~~trust~~] fund under Subsection (m) of this section.

(f) Subject to Subsection (m) of this section, each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller, at the direction of the department, shall deposit into a trust fund designated as the Olympic Games reimbursement [~~trust~~] fund, on a quarterly basis, the amount of the municipality's or county's hotel occupancy tax revenue determined by the department under Subsection (b)(4) or (b)(5) of this section, as applicable. Subject to Section 6 of this Act and Subsection (m) of this section, the comptroller, at the direction of the department, shall deposit into the [~~trust~~] fund the amount of sales and use tax revenue and mixed beverage tax revenue retained under Subsection (d) of this section for the same calendar quarter and, at the same time, shall transfer to the fund the state tax revenue determined by the department under Subsection (b)(1) of this section for the quarter. The Olympic Games reimbursement [~~trust~~] fund is established outside the treasury but is held in trust by the comptroller for the administration of this Act. Money in the [~~trust~~] fund may be spent by the department without appropriation only as provided by this Act. The comptroller shall discontinue transfer [~~deposit~~] of the amount of state tax revenue determined by the department under Subsection (b)(1) of this section on the earlier of:

(1) the end of the third calendar month following the month in which the closing event of the games occurs; or

(2) the date the amount of state revenue in the

Olympic Games reimbursement [~~trust~~] fund equals 86 percent of the maximum amount of state, municipal, and county tax revenue that may be transferred to or deposited in the [~~trust~~] fund under Subsection (m) of this section.

(g) The department may use the money [~~funds~~] in the Olympic Games reimbursement [~~trust~~] fund only to fulfill joint obligations of the state and each endorsing municipality or endorsing county to a site selection organization under a games support contract or any other agreement providing assurances from the department or the municipality or county to a site selection organization.

(h) A local organizing committee shall provide information required by the department [~~comptroller~~] to enable the department [~~comptroller~~] to fulfill the department's [~~comptroller's~~] duties under this Act, including annual audited statements of the local organizing committee's financial records required by a site selection organization and data obtained by the local organizing committee relating to attendance at the games and to the economic impact of the games. A local organizing committee must provide an annual audited financial statement required by the department [~~comptroller~~] not later than the end of the fourth month after the date the period covered by the financial statement ends.

(i) The department [~~comptroller~~] shall provide an estimate before August 31 of the year that is 12 years before the year in which the games would be held in this state, or as soon as practical after that date, of the total amount of state, municipal, and county tax revenue that would be transferred to or deposited in the Olympic Games reimbursement [~~trust~~] fund if the games were to be held in this state at a site selected pursuant to an application by a local organizing committee. The department [~~comptroller~~] shall provide the estimate on request to a local organizing committee. A local organizing committee may submit the department's [~~comptroller's~~] estimate to a site selection organization.

(j) The department may not make a disbursement from the Olympic Games reimbursement [~~trust~~] fund unless the department [~~comptroller~~] certifies that the disbursement is for a purpose for which the state and each endorsing municipality or

endorsing county are jointly obligated under a games support contract or other agreement described by Subsection (g) of this section. A disbursement may not be made from the ~~[trust]~~ fund that the department determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

(k) If the department ~~[comptroller]~~ certifies under Subsection (j) of this section that a disbursement may be made from the Olympic Games reimbursement ~~[trust]~~ fund, the obligation shall be satisfied proportionately from the state and municipal or county revenue in the ~~[trust]~~ fund.

(l) Two years after the closing event of the games, the department ~~[comptroller]~~ shall transfer to the general revenue fund any money remaining in the Olympic Games reimbursement ~~[trust]~~ fund, not to exceed the amount of state revenue remaining in the ~~[trust]~~ fund, plus any interest earned on that state revenue. The department ~~[comptroller]~~ shall remit to each endorsing entity in proportion to the amount contributed by the entity any money remaining in the ~~[trust]~~ fund after the required amount is transferred to the general revenue fund.

(m) In no event may:

(1) the total amount of state, municipal, and county tax revenue transferred to or deposited in the Olympic Games reimbursement ~~[trust]~~ fund exceed \$100 million; or

(2) the joint liability of the state and an endorsing municipality or county under a joinder agreement and any other games support contracts entered into pursuant to this Act exceed the lesser of:

(A) \$100 million; or

(B) the total amount of revenue transferred to or deposited in the Olympic Games reimbursement ~~[trust]~~ fund and interest earned on the fund.

SECTION 6. The heading to Section 5A, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 5A. PAYMENT OF STATE AND MUNICIPAL OR COUNTY OBLIGATIONS; MAJOR EVENTS REIMBURSEMENT ~~[TRUST]~~ FUND.

No equivalent provision.

SECTION 7. Sections 5A(a)(1) and (2),

No equivalent provision.

Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

(1) "Endorsing county" means:

(A) a county that contains a site selected by a site selection organization for one or more events; or

(B) a county that:

(i) does not contain a site selected by a site selection organization for an event;

(ii) is included in the market area for the event as designated by the department [comptroller]; and

(iii) is a party to an event support contract.

(2) "Endorsing municipality" means:

(A) a municipality that contains a site selected by a site selection organization for one or more events; or

(B) a municipality that:

(i) does not contain a site selected by a site selection organization for an event;

(ii) is included in the market area for the event as designated by the department [comptroller]; and

(iii) is a party to an event support contract.

**No equivalent provision.**

SECTION 2. Section 5A(a), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by amending Subdivision (4) and by amending Subdivision (5), as amended by S.B. 293, Acts of the 84th Legislature, Regular Session, 2015, to read as follows:

(4) "Event" means a Super Bowl, a National Collegiate Athletic Association Final Four tournament game, the National Basketball Association All-Star Game, the X Games, the National Hockey League All-Star Game, the Major League Baseball All-Star Game, a game of the National Collegiate Athletic Association Bowl Championship Series or its successor or a National Collegiate Athletic Association Division I Football Bowl Subdivision postseason playoff or championship game, the National Collegiate Athletic Association men's or women's lacrosse championships, a World Cup Soccer game, the World Cup soccer tournament, the Major League Soccer All-Star Game, the Major League Soccer Cup, the Professional Rodeo Cowboys Association National Finals Rodeo, an Elite Rodeo

Association World Championship, the United States Open Championship, the World Games, a national collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee, an Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the United States Olympic Committee's Community Olympic Development Program, the Amateur Athletic Union Junior Olympic Games, a mixed martial arts championship, the Breeders' Cup World Championships, a Formula One automobile race, the Moto Grand Prix of the United States, the Academy of Country Music Awards, the National Cutting Horse Association Triple Crown, a national political convention of the Republican National Committee or the Democratic National Committee, a presidential general election debate, or the largest event held each year at a sports entertainment venue in this state with a permanent seating capacity, including grandstand and premium seating, of not less than 125,000. The term includes any activities related to or associated with an event.

- (5) "Site selection organization" means:
- (A) the National Football League, the National Collegiate Athletic Association, the National Basketball Association, ESPN or an affiliate, the National Hockey League, Major League Baseball, the Federation Internationale de Football Association (FIFA), the International World Games Association, the National Association for Stock Car Auto Racing (NASCAR), Dorna Sports, the Amateur Athletic Union, the Professional Rodeo Cowboys Association, the Elite Rodeo Association, Major League Soccer, the United States Golf Association, or the United States Olympic Committee;
  - (B) the national governing body of a sport that is recognized by the United States Olympic Committee, the National Thoroughbred Racing Association, Formula One Management Limited, or the Federation Internationale de l'Automobile;
  - (C) the Academy of Country Music;
  - (D) the National Cutting Horse Association;

- (E) the Republican National Committee or the Democratic National Committee; ~~[or]~~
- (F) the Ultimate Fighting Championship; or
- (G) the Commission on Presidential Debates.

**No equivalent provision.**

SECTION 3. Section 5A, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by adding Subsection (a-3) to read as follows:

(a-3) For purposes of Subsection (a-1) of this section, each presidential general election debate in a series of presidential debates before a general election is considered a separate, single event.

**No equivalent provision.**

SECTION 8. Sections 5A(a-1), (a-2), (b), (b-1), (c), (d), (d-1), (e), (f), (g), (i), (j), (k), (l), (m), (p), (v), (w), and (y), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

(a-1) An event not listed in Subsection (a)(4) of this section is ineligible for funding under this section. A listed event may receive funding under this section only if:

(1) a site selection organization selects a site located in this state for the event to be held one time or, for an event scheduled to be held each year for a period of years under an event contract, or an event support contract, one time each year for the period of years, after considering, through a highly competitive selection process, one or more sites that are not located in this state;

(2) a site selection organization selects a site in this state as:

(A) the sole site for the event; or

(B) the sole site for the event in a region composed of this state and one or more adjoining states;

(3) the event is held not more than one time in any year; and

(4) the amount of the incremental increase in tax receipts determined by the department ~~[comptroller]~~ under Subsection (b) of this section equals or exceeds \$1 million, provided that for an event scheduled to be held each year for a period of years under an event contract or event support contract, the

incremental increase in tax receipts shall be calculated as if the event did not occur in the prior year.

(a-2) Subsection (a-1)(1) of this section does not apply to an event that is the largest event held each year at a sports entertainment venue in this state with a permanent seating capacity, including grandstand and premium seating, of not less than 125,000. If an endorsing municipality or endorsing county requests the department [~~comptroller~~] to make a determination under Subsection (b) of this section for an event described by this subsection, the provisions of this section apply to that event as if it satisfied the eligibility requirements for an event under Subsection (a-1)(1) of this section.

(b) If a site selection organization selects a site for an event in this state pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county, upon request of a local organizing committee, endorsing municipality, or endorsing county, the department [~~comptroller~~] shall determine for a one-year period that begins two months before the date on which the event will begin, in accordance with procedures developed by the department [~~comptroller~~]:

(1) the incremental increase in the receipts to the state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the event and related activities;

(2) the incremental increase in the receipts collected by the state on behalf of each endorsing municipality in the market area from the sales and use tax imposed by each endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing municipality under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the event and related activities;

(3) the incremental increase in the receipts collected by the state on behalf of each endorsing county in the market area from the sales and use tax imposed by each endorsing county under Section 323.101(a), Tax Code,

and the mixed beverage tax revenue to be received by each endorsing county under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the event and related activities;

(4) the incremental increase in the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the event and related activities; and

(5) the incremental increase in the receipts collected by each endorsing county in the market area from the hotel occupancy tax imposed under Chapter 352, Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the event and related activities.

(b-1) A request for a determination of the amount of incremental increase in tax receipts specified by Subsection (b) of this section must be submitted to the department [~~comptroller~~] not earlier than one year and not later than 45 days before the date the event begins. The department [~~comptroller~~] shall base the determination specified by Subsection (b) of this section on information submitted by the local organizing committee, endorsing municipality, or endorsing county, and must make the determination not later than the 30th day after the date the department [~~comptroller~~] receives the request and related information.

(c) For the purposes of Subsection (b)(1) of this section, the department [~~comptroller~~] shall designate as a market area for the event each area in which the department [~~comptroller~~] determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the event and related activities, including areas likely to provide venues, accommodations, and services in connection with the event based on the proposal provided by the local organizing committee to the department [~~comptroller~~]. The department [~~comptroller~~] shall determine the geographic boundaries of each market area. An endorsing municipality or endorsing county that has been selected as the site for

the event must be included in a market area for the event.

(d) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a ~~[trust]~~ fund created by the comptroller, at the direction of the department, and designated as the Major Events reimbursement ~~[trust]~~ fund the amount of the municipality's or county's hotel occupancy tax revenue determined by the department under Subsection (b)(4) or (b)(5) of this section, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller, at the direction of the department, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by the department under Subsection (b)(2) or (b)(3) of this section from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, and deposit into the ~~[trust]~~ fund the tax revenues, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller shall begin retaining and depositing the local tax revenues with the first distribution of that tax revenue that occurs after the first day of the one-year period described by Subsection (b) of this section or at a time otherwise determined to be practicable by the department ~~[comptroller]~~ and shall discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined by the department under Subsection (b)(2) or (b)(3) of this section has been retained. The Major Events reimbursement ~~[trust]~~ fund is established outside the state treasury and is held in trust by the comptroller for administration of this Act. Money in the ~~[trust]~~ fund may be disbursed by the department ~~[comptroller]~~ without appropriation only as provided by this section.

(d-1) Not later than the 90th day after the last day of an event and in lieu of the local tax revenues remitted ~~[to]~~ or retained ~~[by the comptroller]~~ under Subsection (d) of this section, a municipality or county may remit to the department ~~[comptroller]~~ for deposit in the Major Events reimbursement ~~[trust]~~ fund

other local funds in an amount equal to the total amount of local tax revenue determined by the department under Subsections (b)(2) through (5) of this section. The amount deposited by the department [~~comptroller~~] into the Major Events reimbursement [~~trust~~] fund under this subsection is subject to Subsection (f) of this section.

(e) In addition to the tax revenue deposited in the Major Events reimbursement [~~trust~~] fund under Subsection (d) of this section, an endorsing municipality or endorsing county may guarantee its obligations under an event support contract and this section by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the event. An endorsing municipality or endorsing county may collect and remit to the department [~~comptroller~~] surcharges and user fees attributable to the event for deposit into the Major Events reimbursement [~~trust~~] fund.

(f) The comptroller, at the direction of the department, shall transfer [~~deposit~~] into the Major Events reimbursement [~~trust~~] fund a portion of the state tax revenue not to exceed the amount determined by the department under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of the local revenue retained or remitted under this section, including:

- (1) local sales and use tax revenue;
- (2) mixed beverage tax revenue;
- (3) hotel occupancy tax revenue; and
- (4) surcharge and user fee revenue.

(g) To meet its obligations under a game support contract or event support contract to improve, construct, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes. An endorsing municipality or endorsing county may provide that the notes be paid from and secured by amounts on deposit or amounts to be deposited into the Major Events reimbursement [~~trust~~] fund or surcharges from user fees, including parking or ticket fees, charged in connection with the event. Any note issued must mature not later than seven years from its date of issuance.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the department [~~comptroller~~] to enable the department [~~comptroller~~] to fulfill the department's [~~comptroller's~~] duties under this

section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to attendance at the event, including an estimate of the number of people expected to attend the event who are not residents of this state, and to the economic impact of the event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the department [~~comptroller~~], if any, not later than the end of the fourth month after the date the period covered by the financial statement ends. After the conclusion of an event and on the department's [~~comptroller's~~] request, a local organizing committee, endorsing municipality, or endorsing county must provide information relating to the event, such as attendance figures, including an estimate of the number of attendees at the event who are not residents of this state, financial information, or other public information held by the local organizing committee, endorsing municipality, or endorsing county that the department [~~comptroller~~] considers necessary.

(j) Not later than the 30th day after the date a request of a local organizing committee, endorsing municipality, or endorsing county is submitted to the department [~~comptroller~~] under Subsection (b-1) of this section, the department [~~comptroller~~] shall provide an estimate of the total amount of tax revenue that would be deposited in the Major Events reimbursement [~~trust~~] fund under this section in connection with that event, if the event were to be held in this state at a site selected pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county. A local organizing committee, endorsing municipality, or endorsing county may submit the department's [~~comptroller's~~] estimate to a site selection organization.

(k) The department [~~comptroller~~] may make a disbursement from the Major Events reimbursement [~~trust~~] fund on the prior approval of each contributing endorsing municipality or endorsing county for a purpose for which a local organizing committee, an endorsing municipality, or an endorsing county or the state is obligated under a game support contract or event

support contract. If an obligation is incurred under a games support contract or event support contract to make a structural improvement to the site or to add a fixture to the site for purposes of an event and that improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events, a disbursement from the [trust] fund made for purposes of that obligation is limited to five percent of the cost of the improvement or fixture and the remainder of the obligation is not eligible for a disbursement from the [trust] fund, unless the improvement or fixture is for a publicly owned facility. In considering whether to make a disbursement from the [trust] fund, the department [comptroller] may not consider a contingency clause in an event support contract as relieving a local organizing committee's, endorsing municipality's, or endorsing county's obligation to pay a cost under the contract. A disbursement may not be made from the [trust] fund that the department [comptroller] determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

(l) If a disbursement is made from the Major Events reimbursement [trust] fund under Subsection (k) of this section, the obligation shall be satisfied proportionately from the state and local revenue in the [trust] fund.

(m) On payment of all state, municipal, or county obligations under a game support contract or event support contract related to the location of any particular event in the state, the department [comptroller] shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the [trust] fund.

(p) The department [comptroller] may not undertake any of the responsibilities or duties set forth in this section unless:

(1) a request is submitted by the municipality or the county in which the event will be located;

(2) the event meets all the requirements for funding under this section, including Subsection (a-1) of this section; and

(3) the request is accompanied by documentation from a site selection organization selecting the site for the event.

(v) The department [comptroller] may adopt rules necessary to implement this section.

(w) Not later than 10 months after the last

day of an event eligible for disbursements from the Major Events reimbursement [~~trust~~] fund for costs associated with the event, the department [~~comptroller~~] using existing resources shall complete a study in the market area of the event on the measurable economic impact directly attributable to the preparation for and presentation of the event and related activities. The department [~~comptroller~~] shall post on the department's [~~comptroller's~~] Internet website:

(1) the results of the study conducted under this subsection, including any source documentation or other information relied on by the department [~~comptroller~~] for the study;

(2) the amount of incremental increase in tax receipts for the event determined by the department under Subsection (b) of this section;

(3) the site selection organization documentation described in Subsection (p)(3) of this section;

(4) any source documentation or information described under Subsection (i) of this section that was relied on by the department [~~comptroller~~] in making the determination of the amount of incremental increase in tax receipts under Subsection (b) of this section; and

(5) documentation verifying that:

(A) a request submitted by a local organizing committee, endorsing municipality, or endorsing county under Subsection (p) of this section is complete and certified as such by the department [~~comptroller~~];

(B) the determination on the amount of incremental increases in tax receipts under Subsection (b) of this section considered the information submitted by a local organizing committee, endorsing municipality, or endorsing county as required under Subsection (b-1) of this section; and

(C) each deadline established under this section was timely met.

(y) After the conclusion of an event, the department [~~comptroller~~] shall compare information on the actual attendance figures provided to the department [~~comptroller~~] under Subsection (i) of this section with the estimated attendance numbers used to determine the incremental increase in tax receipts under Subsection (b) of this section. If the actual attendance figures are significantly lower than the estimated attendance numbers, the department

[~~comptroller~~] may reduce the amount of a disbursement for an endorsing entity under the Major Events reimbursement [~~trust~~] fund in proportion to the discrepancy between the actual and estimated attendance and in proportion to the amount contributed to the fund by the entity. The department [~~comptroller~~] by rule shall define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced. This subsection does not affect the remittance of any money remaining in the fund in accordance with Subsection (m) of this section.

SECTION 9. The heading to Section 5B, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

No equivalent provision.

Sec. 5B. GUARANTEE OF STATE AND MUNICIPAL OR COUNTY OBLIGATIONS; MOTOR SPORTS RACING REIMBURSEMENT [~~TRUST~~] FUND.

SECTION 10. Sections 5B(b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), and (o), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

No equivalent provision.

(b) If a site selection organization selects a site for a motor sports racing event in this state pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county, not later than three months before the date of the motor sports racing event, the department [~~comptroller~~] shall determine for the 30-day period that ends at the end of the day after the date on which the racing event will be held, in accordance with procedures developed by the department [~~comptroller~~]:

(1) the incremental increase in the receipts to the state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the racing event;

(2) the incremental increase in the receipts

collected by the state on behalf of each endorsing municipality in the market area from the sales and use tax imposed by each endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing municipality under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the racing event;

(3) the incremental increase in the receipts collected by the state on behalf of each endorsing county in the market area from the sales and use tax imposed by each endorsing county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing county under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the racing event;

(4) the incremental increase in the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the racing event; and

(5) the incremental increase in the receipts collected by each endorsing county in the market area from the hotel occupancy tax imposed under Chapter 352, Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the racing event.

(c) For the purposes of Subsection (b)(1) of this section, the department [~~comptroller~~] shall designate as a market area for the motor sports racing event each area in which the department [~~comptroller~~] determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the racing event, including areas likely to provide venues, accommodations, and services in connection with the racing event based on a proposal or other information provided by an endorsing municipality, endorsing county, or local organizing committee to the department [~~comptroller~~]. The department [~~comptroller~~] shall determine the geographic boundaries of each market area. An endorsing municipality or endorsing county that has been selected as the site for the racing event must be included

in a market area for the racing event.

(d) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a ~~[trust]~~ fund created by the comptroller, at the direction of the department, and designated as the Motor Sports Racing reimbursement ~~[trust]~~ fund for the particular event the amount of the municipality's or county's hotel occupancy tax revenue determined by the department under Subsection (b)(4) or (5) of this section, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller, at the direction of the department, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by the department under Subsection (b)(2) or (3) of this section from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, and deposit into the ~~[trust]~~ fund the tax revenues, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller shall begin retaining and depositing the local tax revenues with the first distribution of that tax revenue that occurs after the first day of the 30-day period described by Subsection (b) of this section and shall discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined under Subsection (b)(2) or (3) of this section has been retained. The Motor Sports Racing reimbursement ~~[trust]~~ fund is established outside the state treasury and is held in trust by the comptroller for administration of this section. Money in the ~~[trust]~~ fund may be disbursed by the department ~~[comptroller]~~ without appropriation only as provided by this section.

(e) In addition to the tax revenue deposited in the Motor Sports Racing reimbursement ~~[trust]~~ fund under Subsection (d) of this section, an endorsing municipality or endorsing county may guarantee its obligations under a motor sports racing event support contract and this section by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the racing event.

(f) The comptroller, at the direction of the department, shall transfer [~~deposit~~] a portion of the state tax revenue determined by the department under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of the local sales and use tax revenue and mixed beverage tax revenue retained and the hotel occupancy tax revenue remitted by an endorsing municipality or endorsing county under Subsection (d) of this section.

(g) To meet its obligations under a motor sports racing event support contract or event support contract to improve, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes. An endorsing municipality or endorsing county may provide that the notes be paid from and secured by amounts on deposit or amounts to be transferred or deposited into the Motor Sports Racing reimbursement [~~trust~~] fund or surcharges from user fees, including parking or ticket fees, charged in connection with the racing event. Any note issued must mature not later than seven years from its date of issuance.

(h) The money [~~funds~~] in the Motor Sports Racing reimbursement [~~trust~~] fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of the state or an endorsing municipality or endorsing county to a site selection organization under a motor sports racing event support contract or event support contract, which obligations may include the payment of costs relating to the preparations necessary or desirable for the conduct of the racing event and the payment of costs of conducting the racing event, including temporary improvements or temporary renovations to existing facilities or other facilities specific to the event.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the department [~~comptroller~~] to enable the department [~~comptroller~~] to fulfill the department's [~~comptroller's~~] duties under this section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to attendance at the motor sports racing event

and to the economic impact of the racing event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the department [~~comptroller~~], if any, not later than the end of the fourth month after the date the period covered by the financial statement ends.

(j) The department [~~comptroller~~] shall provide an estimate not later than three months before the date of a motor sports racing event of the total amount of tax revenue that would be transferred to or deposited in the Motor Sports Racing reimbursement [~~trust~~] fund under this section in connection with that racing event, if the racing event were to be held in this state at a site selected pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county. The department [~~comptroller~~] shall provide the estimate on request to a local organizing committee, endorsing municipality, or endorsing county. A local organizing committee, endorsing municipality, or endorsing county may submit the department's [~~comptroller's~~] estimate to a site selection organization.

(k) The department [~~comptroller~~] may make a disbursement from the Motor Sports Racing reimbursement [~~trust~~] fund on the prior approval of each contributing endorsing municipality or endorsing county for a purpose for which an endorsing municipality or endorsing county or the state is obligated under a motor sports racing event support contract or event support contract. A disbursement may not be made from the [~~trust~~] fund that the department [~~comptroller~~] determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

(l) If a disbursement is made from the Motor Sports Racing reimbursement [~~trust~~] fund under Subsection (k) of this section, the obligation shall be satisfied proportionately from the state and local revenue in the [~~trust~~] fund.

(m) On payment of all state, municipal, or county obligations under a motor sports racing support contract or event support contract related to the location of any particular racing event in the state, the department [~~comptroller~~] shall remit to each endorsing entity, in proportion to the amount

contributed by the entity, any money remaining in the ~~[trust]~~ fund.

(o) The department ~~[comptroller]~~ may not undertake any of the responsibilities or duties set forth in this section unless a request is submitted by the municipality and the county in which the motor sports racing event will be held. The request must be accompanied by documentation from a site selection organization selecting the site for the racing event.

SECTION 11. The heading to Section 5C, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 5C. EVENTS REIMBURSEMENT ~~[TRUST]~~ FUND FOR CERTAIN MUNICIPALITIES AND COUNTIES.

No equivalent provision.

SECTION 12. Sections 5C(b), (b-1), (c), (c-1), (d), (d-1), (e), (f), (g), (h), (i), (j), (k), (k-1), (k-2), (l), (m), (o), (p), (q), (r), and (t), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

No equivalent provision.

(b) If a site selection organization selects a site for an event in this state pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county, not later than three months before the date of the event, the department ~~[comptroller]~~ shall determine for the 30-day period that ends at the end of the day after the date on which the event will be held or, if the event occurs on more than one day, after the last date on which the event will be held, in accordance with procedures developed by the department ~~[comptroller]~~:

(1) the incremental increase in the receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the department ~~[comptroller]~~, to the preparation for and presentation of the event and related activities;

(2) the incremental increase in the receipts collected by this state on behalf of each endorsing municipality in the market area from the sales and use tax imposed by each endorsing municipality under Section

321.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing municipality under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the event and related activities;

(3) the incremental increase in the receipts collected by this state on behalf of each endorsing county in the market area from the sales and use tax imposed by each endorsing county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing county under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the event and related activities;

(4) the incremental increase in the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the event and related activities; and

(5) the incremental increase in the receipts collected by each endorsing county in the market area from the hotel occupancy tax imposed under Chapter 352, Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the event and related activities.

(b-1) The number of requests for funding under this section that may be submitted by an endorsing county or endorsing municipality during any 12-month period for an event for which the department [~~comptroller~~] determines that the total amount of the incremental increase in tax receipts under Subsection (b) of this section is less than \$200,000 is limited to, during any 12-month period, not more than 10 events, only three of which may be nonsporting events.

(c) For the purposes of Subsection (b)(1) of this section, the department [~~comptroller~~] shall designate as a market area for the event each area in which the department [~~comptroller~~] determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the event and related

activities, including areas likely to provide venues, accommodations, and services in connection with the event based on the proposal provided by the local organizing committee to the department [~~comptroller~~]. The department [~~comptroller~~] shall determine the geographic boundaries of each market area. An endorsing municipality or endorsing county that has been selected as the site for the event must be included in a market area for the event.

(c-1) The department [~~comptroller~~] shall base the determination specified by Subsection (b) of this section on information submitted by the local organizing committee, endorsing municipality, or endorsing county, and must make the determination not later than the 30th day after the date the department [~~comptroller~~] receives the information.

(d) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a [~~trust~~] fund created by the comptroller, at the direction of the department, and designated as the Events reimbursement [~~trust~~] fund the amount of the municipality's or county's hotel occupancy tax revenue determined by the department under Subsection (b)(4) or (5) of this section, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller, at the direction of the department, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by the department under Subsection (b)(2) or (3) of this section from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, and deposit into the [~~trust~~] fund the tax revenues, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller shall begin retaining and depositing the local tax revenues with the first distribution of that tax revenue that occurs after the first day of the period described by Subsection (b) of this section or at a time otherwise determined to be practicable by the department [~~comptroller~~] and shall discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined by the

department under Subsection (b)(2) or (3) of this section has been retained. The Events reimbursement [~~trust~~] fund is established outside the state treasury and is held in trust by the comptroller for administration of this section. Money in the [~~trust~~] fund may be disbursed by the department [~~comptroller~~] without appropriation only as provided by this section.

(d-1) Not later than the 90th day after the last day of an event and in lieu of the local tax revenues remitted [~~to~~] or retained [~~by the comptroller~~] under Subsection (d) of this section, a municipality or county may remit to the department [~~comptroller~~] for deposit in the Events reimbursement [~~trust~~] fund other local funds in an amount equal to the total amount of local tax revenue determined by the department under Subsections (b)(2) through (5) of this section. The amount deposited by the department [~~comptroller~~] into the Events reimbursement [~~trust~~] fund under this subsection is subject to Subsection (f) of this section.

(e) In addition to the tax revenue deposited in the Events reimbursement [~~trust~~] fund under Subsection (d) of this section, an endorsing municipality or endorsing county may guarantee its obligations under an event support contract and this section by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the event. An endorsing municipality or endorsing county may collect and remit to the department [~~comptroller~~] surcharges and user fees attributable to the event for deposit into the Events reimbursement [~~trust~~] fund.

(f) The comptroller, at the direction of the department, shall transfer [~~deposit~~] into the Events reimbursement [~~trust~~] fund a portion of the state tax revenue not to exceed the amount determined by the department under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of the local tax revenue retained or remitted under this section, including:

- (1) local sales and use tax revenue;
- (2) mixed beverage tax revenue;
- (3) hotel occupancy tax revenue; and
- (4) surcharge and user fee revenue.

(g) To meet its obligations under an event support contract to improve, construct, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order

may authorize the issuance of notes. An endorsing municipality or endorsing county may provide that the notes be paid from and secured by amounts on deposit or amounts to be transferred or deposited into the Events reimbursement [~~trust~~] fund or surcharges from user fees, including parking or ticket fees, charged in connection with the event. Any note issued must mature not later than seven years from its date of issuance.

(h) The money in the Events reimbursement [~~trust~~] fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of this state or an endorsing municipality or endorsing county to a site selection organization under an event support contract. Subject to Subsection (k) of this section, the obligations may include the payment of costs relating to the preparations necessary for the conduct of the event and the payment of costs of conducting the event, including improvements or renovations to existing facilities or other facilities and costs of acquisition or construction of new facilities or other facilities.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the department [~~comptroller~~] to enable the department [~~comptroller~~] to fulfill the department's [~~comptroller's~~] duties under this section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to attendance at the event, including an estimate of the number of people expected to attend the event who are not residents of this state, and to the economic impact of the event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the department [~~comptroller~~], if any, not later than the end of the fourth month after the date the period covered by the financial statement ends. After the conclusion of an event and on the department's [~~comptroller's~~] request, a local organizing committee, endorsing municipality, or endorsing county must provide information relating to the event, such as attendance figures, including an estimate of the number

of people who are not residents of this state who attended the event, financial information, or other public information held by the local organizing committee, endorsing municipality, or endorsing county that the department [~~comptroller~~] considers necessary.

(j) The department [~~comptroller~~] shall provide an estimate not later than three months before the date of an event of the total amount of tax revenue that would be transferred into or deposited in the Events reimbursement [~~trust~~] fund under this section in connection with that event, if the event were to be held in this state at a site selected pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county. The department [~~comptroller~~] shall provide the estimate on request to a local organizing committee, endorsing municipality, or endorsing county. A local organizing committee, endorsing municipality, or endorsing county may submit the department's [~~comptroller's~~] estimate to a site selection organization.

(k) The department [~~comptroller~~] may make a disbursement from the Events reimbursement [~~trust~~] fund on the prior approval of each contributing endorsing municipality or endorsing county for a purpose for which a local organizing committee, an endorsing municipality, or an endorsing county or this state is obligated under an event support contract, including an obligation to pay costs incurred in the conduct of the event and costs incurred in making preparations necessary for the event. If an obligation is incurred under an event support contract to make a structural improvement to the site or to add a fixture to the site for purposes of an event and that improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events, a disbursement from the [~~trust~~] fund made for purposes of that obligation is limited to five percent of the cost of the improvement or fixture and the remainder of the obligation is not eligible for a disbursement from the [~~trust~~] fund, unless the improvement or fixture is for a publicly owned facility. In considering whether to make a disbursement from the [~~trust~~] fund, the department [~~comptroller~~] may not consider a contingency clause in an event support contract as relieving a local organizing committee's,

endorsing municipality's, or endorsing county's obligation to pay a cost under the contract.

(k-1) A disbursement may not be made from the ~~[trust]~~ fund that the department ~~[comptroller]~~ determines would be used for the purpose of:

- (1) soliciting the relocation of a professional sports franchise located in this state;
- (2) constructing an arena, stadium, or convention center; or
- (3) conducting usual and customary maintenance of a facility.

(k-2) Subsection (k-1) of this section does not prohibit:

- (1) a disbursement from the ~~[trust]~~ fund for the construction of temporary structures within an arena, stadium, or convention, if those temporary structures are necessary for the conduct of the event; or
- (2) temporary maintenance of a facility that is necessary for the preparation for or conduct of the event.

(l) If a disbursement is made from the Events reimbursement ~~[trust]~~ fund under Subsection (k) of this section, the obligation shall be satisfied proportionately from the state and local revenue in the ~~[trust]~~ fund.

(m) On payment of all state, municipal, or county obligations under an event support contract related to the location of any particular event in this state, the department ~~[comptroller]~~ shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the Events reimbursement ~~[trust]~~ fund.

(o) The department ~~[comptroller]~~ may not undertake any of the responsibilities or duties set forth in this section unless a request is submitted by the municipality or the county in which the event will be located. The request must be accompanied by documentation from a site selection organization selecting the site for the event.

(p) The department ~~[comptroller]~~ may adopt rules necessary to implement this section.

(q) In determining the amount of state revenue available under Subsection (b)(1) of this section, the department ~~[comptroller]~~ may consider whether:

- (1) the event has been held in this state on previous occasions; and
- (2) changes to the character of the event could affect the incremental increase in receipts collected and remitted to the state by

an endorsing county or endorsing municipality under that subsection.

(r) The department [~~comptroller~~] may adopt a model event support contract and make the contract available on the department's [~~comptroller's~~] Internet website. The adoption by the department [~~comptroller~~] of a model event support contract under this subsection does not require use of the model event support contract for purposes of this section.

(t) After the conclusion of an event, the department [~~comptroller~~] shall compare information on the actual attendance figures provided to the department [~~comptroller~~] under Subsection (i) of this section with the estimated attendance numbers used to determine the incremental increase in tax receipts under Subsection (b) of this section. If the actual attendance figures are significantly lower than the estimated attendance numbers, the department [~~comptroller~~] may reduce the amount of a disbursement for an endorsing entity under the Events reimbursement [~~trust~~] fund in proportion to the discrepancy between the actual and estimated attendance and in proportion to the amount contributed to the fund by the entity. The department [~~comptroller~~] by rule shall define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced. This subsection does not affect the remittance of any money remaining in the fund in accordance with Subsection (m) of this section.

SECTION 13. Sections 6(a) and (b), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

(a) Except as provided by Subsections (b) and (d) of this section, an endorsing municipality or endorsing county must hold an election in the municipality or county to determine whether the municipality or county may contribute a portion of its sales and use taxes to the Olympic Games reimbursement [~~trust~~] fund under Section 5 of this Act. The election must be held on a uniform election date before the date a site selection organization requires the endorsing municipality or endorsing county and the state to enter into a joinder undertaking relating to

No equivalent provision.

the applicable games.

(b) If an endorsing municipality or endorsing county is required to hold an election under this section and the contribution of a portion of the municipality's or county's sales and use taxes to the Olympic Games reimbursement [~~trust~~] fund under Section 5 of this Act is not approved by a majority of the voters voting in the election:

(1) the comptroller may not establish the Olympic Games reimbursement [~~trust~~] fund under Section 5 of this Act, may not retain the municipality's or county's tax revenue under Section 5(d) of this Act from amounts otherwise required to be sent to that municipality or county, and may not transfer [~~deposit~~] any state tax revenue into the [~~trust~~] fund;

(2) the department [~~comptroller~~] is not required to determine the incremental increase in state, county, or municipal tax revenue under Section 5(b) of this Act; and

(3) the department may not enter into a games support contract relating to the games for which the municipality or county has authorized a bid on its behalf.

SECTION 14. Section 7(f), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

(f) The department may agree to execute a joinder undertaking, a joinder agreement, or other games support contract only if:

(1) the department determines that:

(A) the state's assurances and obligations under the undertaking, agreement, or contract are reasonable; and

(B) any financial commitments of the state will be satisfied exclusively by recourse to the Pan American Games reimbursement [~~trust~~] fund or the Olympic Games reimbursement [~~trust~~] fund, as applicable; and

(2) the endorsing municipality or endorsing county has executed an agreement with a site selection organization that contains substantially similar terms.

SECTION 15. The following laws are repealed:

(1) Section 5C(s), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes); and

No equivalent provision.

SECTION 4. Chapter 398, Local Government Code, is repealed.

(2) Chapter 398, Local Government Code.

SECTION 16. As soon as is practicable after the effective date of this Act, but not later than September 10, 2015, the office of the governor and the comptroller of public accounts shall develop and adopt a memorandum of understanding that:

(1) identifies in detail the applicable powers and duties of the comptroller that are being transferred to the office of the governor as a result of this Act; and

(2) establishes a plan for the identification and transfer of records, property, and unspent appropriations of the comptroller that are used for purposes of managing the funds transferred to the office of the governor.

No equivalent provision.

SECTION 17. (a) Not later than September 10, 2015:

(1) the administration of the Pan American Games reimbursement fund, Olympic Games reimbursement fund, Major Events reimbursement fund, Motor Sports Racing reimbursement fund, and Events reimbursement fund for sporting and non-sporting events shall be transferred from the comptroller of public accounts to the Texas Economic Development and Tourism Office;

(2) all rules, forms, policies, procedures, or decisions of the comptroller that are related to the Pan American Games reimbursement fund, Olympic Games reimbursement fund, Major Events reimbursement fund, Motor Sports Racing reimbursement fund, and Events reimbursement fund for sporting and non-sporting events are continued in effect as rules, forms, policies, procedures, or decisions of the Economic Development and Tourism Division, Office of the Governor, until superseded by a rule or other appropriate act of the Texas Economic Development and Tourism Office; and

(3) a reference in law or administrative rule to the comptroller relating to the decisions for and administration of the Pan American Games reimbursement fund, Olympic Games reimbursement fund, Major Events reimbursement fund, Motor Sports Racing reimbursement fund, and Events reimbursement fund for sporting and non-sporting events, other than a duty typically performed by the comptroller related to a state fund, means the Texas Economic Development and Tourism Office.

No equivalent provision.

(b) Before the transfer of the administration of the Pan American Games reimbursement fund, Olympic Games reimbursement fund, Major Events reimbursement fund, Motor Sports Racing reimbursement fund, and Events reimbursement fund for sporting and non-sporting events, the comptroller of public accounts and the Texas Economic Development and Tourism Office shall coordinate the transfer of powers and duties, including records and other items, in accordance with the memorandum of understanding adopted under Section 16 of this Act, to ensure a smooth transition.

SECTION 18. Notwithstanding the repeal by this Act of Chapter 398, Local Government Code, a special event plan approved under former Chapter 398 of that code before September 1, 2015, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 19. This Act takes effect September 1, 2015.

SECTION 5. Same as engrossed version.

SECTION 6. Same as engrossed version.