

## **BILL ANALYSIS**

H.B. 2420  
By: Howard  
Culture, Recreation & Tourism  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The purpose of the major events reimbursement program is to reimburse qualified local organizing committees for certain eligible costs associated with conducting major events in Texas. Among other eligibility requirements for the program, the event must be held once a year, at a single site, and generate over \$1 million in incremental increases in certain sales taxes. The South by Southwest Conference (SXSW) is held once a year in Austin, Texas, and reportedly brings hundreds of millions of dollars to the state. However, in March of last year, SXSW organizers announced the cancellation of the conference due to the COVID-19 pandemic. The cancellation of the conference represented untold millions of dollars in lost revenue for Texas businesses and their employees. The 2021 iteration of SXSW was held online, which meant the state, once again, was unable to take advantage of the event's economic impact. H.B. 2420 seeks to ensure the conference is able to conduct future in-person events in Texas by making the conference eligible for the major events reimbursement program.

### **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**

H.B. 2420 amends the Government Code to make the South by Southwest Conference and Festivals eligible for funding under the major events reimbursement program. The bill exempts this event from a requirement that the site selection organization, in this case South by Southwest, select an event site in Texas after considering through a highly competitive selection process one or more sites not in Texas.

### **EFFECTIVE DATE**

September 1, 2021.