

BILL ANALYSIS

Senate Research Center
80R10036 ATP-F

S.B. 1425
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S/C on Emerging Technologies & Economic Dev.
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Special Events Trust fund was established in 2005 to support local governments in recruiting or retaining special events that are being actively recruited for relocation outside of Texas. Because these events are not expected, tax revenues realized as a result of relocation represent unexpected revenue to the state. The program authorizes a portion of those funds to go back to local governments to assist in paying expenses incurred in connection with a relocation. Currently, the secondary impact of economic activity cannot be measured without the calculation of other taxes.

As proposed, S.B. 1425 adds receipts from additional taxes to the calculation of the economic impact for Special Event Trust Fund applicants. The bill increases incentive funding made available to Special Event Fund host communities by basing the calculation on the full amount of expenses the local government incurs or the full amount of the increase in tax receipts. The bill allows current applicants the opportunity to update economic impact study data to conform to the changes authorized in the bill.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 398.004(b), Local Government Code, as follows:

(b) Requires the economic impact study to provide an estimate of the anticipated amount of increase in the state tax receipts to the state under Title 5 (Taxation), Alcoholic Beverage Code, and Chapters 151 (Limited Sales, Excise, and Use Tax), 156 (Hotel Occupancy Tax), and 183 (Mixed Beverage Tax) Tax Code, rather than solely under Chapter 151, Tax Code, that will occur in the special event area during specified times.

SECTION 2. Amends Section 398.006(b), Local Government Code, as follows:

(b) Requires a special event plan to include a request that an amount of money, not to exceed the lesser of the amount of the total estimated expenses or the amount of the anticipated tax receipt increases, rather than the lesser of one-half the estimated expenses or one-half the anticipated tax receipt increase, be deposited by the comptroller of public accounts (comptroller) into a special event trust fund for the host community.

SECTION 3. Authorizes a host community whose economic impact study was certified by the comptroller under Section 398.005(a)(2), Local Government Code, on or after December 1, 2006, and before the effective date of this Act to provide a supplemental economic impact study for consideration and certification by the comptroller under Section 398.004, Local Government Code, as amended by this Act, notwithstanding the certification deadlines prescribed by Sections 398.004 (Economic Impact Study) and 398.006 (Special Event Plan; Request for Money; Approval), Local Government Code, as amended by this Act, and Section 398.005 (Comptroller Certification of Economic Impact Study) Local Government Code.

SECTION 4. Effective date: upon passage or September 1, 2007.