

By: Woolley

H.B. No. 2768

Substitute the following for H.B. No. 2768:

By: Isett

C.S.H.B. No. 2768

A BILL TO BE ENTITLED

AN ACT

relating to facilitating and supporting the efforts of certain municipalities and counties to promote economic development by hosting certain sport events and authorizing certain municipalities and counties to issue notes for payment of obligations incurred to bid or prepare for and host those events.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1, Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by amending Subdivisions (2), (3), (5), (6), (7), and (8) and adding Subdivision (1-a) to read as follows:

(1-a) "Endorsing county" means an endorsing county for purposes of Section 5 or 5A of this Act.

(2) "Endorsing municipality" means an endorsing ~~a~~ municipality for purposes of Section 4, 5, of 5A of this Act ~~[that has a population of 850,000 or more according to the most recent federal decennial census and that authorizes a bid by a local organizing committee for selection of the municipality as the site of the 2007 Pan American Games or the 2012 Olympic Games]~~.

(3) "Games" means the [2007] Pan American Games, [or] the [2012] Olympic Games, the Super Bowl, the National Collegiate Athletic Association Final Four, the National Basketball Association All-Star Game, the National Hockey League All-Star

1 Game, the Major League Baseball All-Star Game, the National
2 Collegiate Athletic Association Bowl Championship Series Games,
3 the World Cup Soccer Games, or the World Games. The term includes
4 the events and activities related to the games.

5 (5) "Joinder agreement" means an agreement entered
6 into by:

7 (A) the department on behalf of this state and a
8 site selection organization setting out representations and
9 assurances by the state in connection with the selection of a site
10 in this state for the location of any of the games; or

11 (B) an endorsing municipality, an endorsing
12 county, or more than one endorsing municipality or county acting
13 collectively and a site selection organization setting out
14 representations and assurances by each ~~[the]~~ endorsing
15 municipality or county in connection with the selection of a site in
16 this state for the location of any of the games.

17 (6) "Joinder undertaking" means an agreement entered
18 into by:

19 (A) the department on behalf of this state and a
20 site selection organization that the state will execute a joinder
21 agreement in the event that the site selection organization selects
22 a site in this state for any of the games; or

23 (B) an endorsing municipality, an endorsing
24 county, or more than one endorsing municipality or county acting
25 collectively and a site selection organization that each endorsing
26 ~~[the]~~ municipality or county will execute a joinder agreement in
27 the event that the site selection organization selects a site in

1 this state for any of the games.

2 (7) "Local organizing committee" means a nonprofit
3 corporation or its successor in interest that:

4 (A) has been authorized by an endorsing
5 municipality, endorsing county, or more than one endorsing
6 municipality or county acting collectively to pursue an application
7 and bid on the applicant's behalf to a site selection organization
8 for selection as the site of one or more ~~[of the]~~ games; or

9 (B) with the authorization of an endorsing
10 municipality, endorsing county, or more than one endorsing
11 municipality or county acting collectively, has executed an
12 agreement with a site selection organization regarding a bid to
13 host one or more ~~[of the]~~ games.

14 (8) "Site selection organization" means the United
15 States Olympic Committee, the International Olympic Committee,
16 ~~[or]~~ the Pan American Sports Organization, the National Football
17 League, the National Collegiate Athletic Association, the National
18 Basketball Association, the National Hockey League, Major League
19 Baseball, Federation Internationale de Football Association
20 (FIFA), or the International World Games Association.

21 SECTION 2. Sections 2 and 3, Chapter 1507, Acts of the 76th
22 Legislature, Regular Session, 1999 (Article 5190.14, Vernon's
23 Texas Civil Statutes), are amended to read as follows:

24 Sec. 2. PURPOSE. The purpose of this Act is to provide
25 assurances required by a site selection organization sponsoring one
26 or more ~~[the]~~ games and to provide financing for the costs of:

27 (1) applying or bidding for selection as the site of

1 the games in this state;

2 (2) making the preparations necessary and desirable
3 for the conduct of the games in this state, including the
4 construction or renovation of facilities; and

5 (3) conducting the games in this state.

6 Sec. 3. LEGISLATIVE FINDINGS. The conduct in this state of
7 one or more games [~~the 2007 Pan American Games or the 2012 Olympic~~
8 ~~Games~~] will:

9 (1) provide invaluable public visibility throughout
10 the nation or world for this state and the communities where the
11 games are held;

12 (2) encourage and provide major economic benefits to
13 the communities where the games are held and to the entire state;
14 and

15 (3) provide opportunities for the creation of jobs by
16 local and Texas businesses that pay a living wage.

17 SECTION 3. Sections 4(a), (b), (i), and (l), Chapter 1507,
18 Acts of the 76th Legislature, Regular Session, 1999 (Article
19 5190.14, Vernon's Texas Civil Statutes), are amended to read as
20 follows:

21 (a) In this section:

22 (1) "Games" means the [~~2007~~] Pan American Games.

23 (2) "Site selection organization" means the United
24 States Olympic Committee or the Pan American Sports Organization.

25 (3) "Endorsing municipality" means a municipality
26 that has a population of 850,000 or more and that authorizes a bid
27 by a local organizing committee for selection of the municipality

1 as the site of the games.

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

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

17 (2) the incremental increase in the receipts collected
18 by the state on behalf of the endorsing municipality from the sales
19 and use tax imposed by the endorsing municipality under Section
20 321.101(a), Tax Code, that is directly attributable, as determined
21 by the comptroller, to the preparation for and presentation of the
22 games and related events; and

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

(i) The comptroller shall provide an estimate not later than September 1 of the year that is eight years before the year in which the games would be held in this state [~~1999~~] of the total amount of state and municipal tax revenue that would be deposited in the Pan American Games trust fund before January 1 of the year following the year in which the games would be held, [~~2008~~] 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.

(1) On January 1 of the second year following the year in which the games are held in this state, [~~2009~~] 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. Sections 5(a)-(g) and (i)-(m), Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

(a) In this section:

(1) "Games" means the [~~2012~~] Olympic Games.

(2) "Site selection organization" means the United States Olympic Committee or the International Olympic Committee.

1 (3) "Endorsing county" means a county in which there
2 is located all or part of a municipality that has a population of
3 850,000 or more, or a county adjacent to such a county.

4 (4) "Endorsing municipality" has the meaning assigned
5 by Section 4 of this Act.

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

14 (1) the incremental increase in the receipts to the
15 state from the taxes imposed under Chapters [~~Chapter~~] 151, 152,
16 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code,
17 within the market areas designated under Subsection (c) of this
18 section, that is directly attributable, as determined by the
19 comptroller, to the preparation for and presentation of the games
20 and related events; [~~and~~]

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

1 and related events;

2 (3) the incremental increase in the receipts collected
3 by the state on behalf of each endorsing county from the sales and
4 use tax imposed by the county under Section 323.101(a), Tax Code,
5 and the mixed beverage tax revenue to be received by the endorsing
6 county under Section 183.051(b), Tax Code, that is directly
7 attributable, as determined by the comptroller, to the preparation
8 for and presentation of the games and related events;

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

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

19 (c) For the purposes of Subsection (b)(1) of this section,
20 the comptroller shall designate as a market area for the games each
21 area in which the comptroller determines there is a reasonable
22 likelihood of measurable economic impact directly attributable to
23 the preparation for and presentation of the games and related
24 events, including areas likely to provide venues, accommodations,
25 and services in connection with the games based on the proposal
26 provided by the local organizing committee under Section 7 of this
27 Act. The comptroller shall determine the geographic boundaries of

1 each market area. Each ~~[The]~~ endorsing municipality or endorsing
2 county that has been selected as the site for the games must be
3 included in a market area for the games.

4 (d) Subject to Section 6 of this Act, the comptroller shall
5 retain, for the purpose of guaranteeing the joint obligations of
6 the state and an ~~[the]~~ endorsing municipality or endorsing county
7 under a games support contract and this Act, the amount of
8 ~~[municipal]~~ sales and use tax revenue and mixed beverage tax
9 revenue determined under Subsection (b)(2) or (b)(3) of this
10 section from the amounts otherwise required to be sent to the
11 municipality under Section 183.051(b) or 321.502, Tax Code, or to
12 the county under Section 183.051(b) or 323.502, Tax Code, beginning
13 with the first distribution of that tax revenue that occurs after
14 the date the comptroller makes the determination of the amount of
15 ~~[municipal]~~ sales and use tax revenue and mixed beverage tax
16 revenue under Subsection (b)(2) or (b)(3) of this section. The
17 comptroller shall discontinue retaining ~~[municipal]~~ sales and use
18 tax revenue and mixed beverage tax revenue under this subsection on
19 the earlier of:

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

22 (2) the date the amount of local ~~[municipal]~~ sales and
23 use tax revenue and mixed beverage tax revenue in the Olympic Games
24 trust fund equals 14 percent of the maximum amount of state and
25 local ~~[municipal]~~ tax revenue that may be deposited in the trust
26 fund under Subsection (m) of this section.

27 (e) In addition to ~~[municipal]~~ sales and use tax revenue and

1 mixed beverage tax revenue retained under Subsection (d) of this
2 section and hotel occupancy tax revenue retained under Subsection
3 (f) of this section, an endorsing municipality or endorsing county
4 may guarantee its obligations under a games support contract and
5 this Act by pledging surcharges from user fees, including parking
6 or ticket fees, charged in connection with presentation of the
7 games.

8 (f) Subject to [~~Section 6 of this Act and~~] Subsection (m) of
9 this section, each endorsing municipality or endorsing county shall
10 remit to the comptroller and the comptroller shall deposit into a
11 trust fund designated as the Olympic Games trust fund, on a
12 quarterly basis, the amount of the municipality's or county's hotel
13 occupancy tax revenue determined under Subsection (b)(4) or (b)(5)
14 of this section, as applicable. Subject to Subsection (m) of this
15 section, the comptroller shall deposit into the trust fund the
16 amount of [~~municipal~~] sales and use tax revenue and mixed beverage
17 tax revenue retained under Subsection (d) of this section for the
18 same calendar quarter and, at the same time, [~~a portion of~~] the
19 state tax revenue determined under Subsection (b)(1) of this
20 section for the quarter [~~in an amount equal to 6.25 times the amount~~
21 ~~of that municipal sales and use tax revenue~~]. The Olympic Games
22 trust fund is established outside the treasury but is held in trust
23 by the comptroller for the administration of this Act. Money in the
24 trust fund may be spent by the department without appropriation
25 only as provided by this Act. The comptroller shall discontinue
26 deposit of the amount of state tax revenue determined under
27 Subsection (b)(1) of this section on the earlier of:

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

3 (2) the date the amount of state revenue in the Olympic
4 Games trust fund equals 86 percent of the maximum amount of state,
5 ~~[and]~~ municipal, and county tax revenue that may be deposited in the
6 trust fund under Subsection (m) of this section.

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

14 (i) The comptroller shall provide an estimate before August
15 31 of the year that is 12 years before the year in which the games
16 would be held in this state, [2000,] or as soon as practical after
17 that date, of the total amount of state, ~~[and]~~ municipal, and county
18 tax revenue that would be deposited in the Olympic Games trust fund
19 if the games were to be held in this state at a site selected
20 pursuant to an application by a local organizing committee. The
21 comptroller shall provide the estimate on request to a local
22 organizing committee. A local organizing committee may submit the
23 comptroller's estimate to a site selection organization.

24 (j) The department may not make a disbursement from the
25 Olympic Games trust fund unless the comptroller certifies that the
26 disbursement is for a purpose for which the state and each ~~[the]~~
27 endorsing municipality or endorsing county are jointly obligated

1 under a games support contract or other agreement described by
2 Subsection (g) of this section. A disbursement may not be made from
3 the trust fund that the department determines would be used for the
4 purpose of soliciting the relocation of a professional sports
5 franchise located in this state.

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

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

19 (m) In no event may:

20 (1) the total amount of state, ~~[and]~~ municipal, and
21 county tax revenue deposited in the Olympic Games trust fund exceed
22 \$100 million; or

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

27 (A) \$100 million; or

1 (B) the total amount of revenue deposited in the
2 Olympic Games trust fund and interest earned on the fund.

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

6 Sec. 5A. PAYMENT OF STATE AND MUNICIPAL OR COUNTY
7 OBLIGATIONS; OTHER EVENTS TRUST FUND. (a) In this section:

8 (1) "Endorsing county" means a county in which there
9 is located all or part of a municipality that has a population of
10 one million or more, or a county adjacent to such a county, and that
11 authorizes a bid by a local organizing committee for selection of
12 the county as the site of one or more games.

13 (2) "Endorsing municipality" means a municipality
14 that has a population of one million or more and that authorizes a
15 bid by a local organizing committee for selection of the
16 municipality as the site of one or more games.

17 (3) "Game" means a Super Bowl, a National Collegiate
18 Athletic Association Final Four tournament game, the National
19 Basketball Association All-Star Game, the National Hockey League
20 All-Star Game, the Major League Baseball All-Star Game, a National
21 Collegiate Athletic Association Bowl Championship Series game, a
22 World Cup Soccer game, or the World Games. The term includes any
23 events and activities related to or associated with the games.

24 (4) "Site selection organization" means the National
25 Football League, the National Collegiate Athletic Association, the
26 National Basketball Association, the National Hockey League, Major
27 League Baseball, the Federation Internationale de Football

1 Association (FIFA), or the International World Games Association.

2 (b) If a site selection organization selects a site for a
3 game in this state pursuant to an application by a local organizing
4 committee, endorsing municipality, or endorsing county, not later
5 than three months before the date of the game, the comptroller shall
6 determine for the two-week period that ends at the end of the day
7 after the date on which the game will be held, in accordance with
8 procedures developed by the comptroller:

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

15 (2) the incremental increase in the receipts collected
16 by the state on behalf of each endorsing municipality in the market
17 area from the sales and use tax imposed by each municipality under
18 Section 321.101(a), Tax Code, and the mixed beverage tax revenue to
19 be received by each endorsing municipality under Section
20 183.051(b), Tax Code, that is directly attributable, as determined
21 by the comptroller, to the preparation for and presentation of the
22 game and related events;

23 (3) the incremental increase in the receipts collected
24 by the state on behalf of each endorsing county in the market area
25 from the sales and use tax imposed by each endorsing county under
26 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to
27 be received by each endorsing county under Section 183.051(b), Tax

1 Code, that is directly attributable, as determined by the
2 comptroller, to the preparation for and presentation of the game
3 and related events;

4 (4) the incremental increase in the receipts collected
5 by each endorsing municipality in the market area from the hotel
6 occupancy tax imposed under Chapter 351, Tax Code, that is directly
7 attributable, as determined by the comptroller, to the preparation
8 for and presentation of the game and related events; and

9 (5) the incremental increase in the receipts collected
10 by each endorsing county in the market area from the hotel occupancy
11 tax imposed under Chapter 352, Tax Code, that is directly
12 attributable, as determined by the comptroller, to the preparation
13 for and presentation of the game and related events.

14 (c) For the purposes of Subsection (b)(1) of this section,
15 the comptroller shall designate as a market area for the game each
16 area in which the comptroller determines there is a reasonable
17 likelihood of measurable economic impact directly attributable to
18 the preparation for and presentation of the game and related
19 events, including areas likely to provide venues, accommodations,
20 and services in connection with the game based on the proposal
21 provided by the local organizing committee to the comptroller. The
22 comptroller shall determine the geographic boundaries of each
23 market area. An endorsing municipality or endorsing county that
24 has been selected as the site for the game must be included in a
25 market area for the game.

26 (d) Each endorsing municipality or endorsing county shall
27 remit to the comptroller and the comptroller shall deposit into a

1 trust fund created by the comptroller and designated as the Other
2 Events trust fund the amount of the municipality's or county's hotel
3 occupancy tax revenue determined under Subsection (b)(4) or (b)(5)
4 of this section, less any amount of the revenue that the
5 municipality or county determines is necessary to meet the
6 obligations of the municipality or county. Subject to Section 6 of
7 this Act, the comptroller shall retain the amount of sales and use
8 tax revenue and mixed beverage tax revenue determined under
9 Subsection (b)(2) or (b)(3) of this section from the amounts
10 otherwise required to be sent to the municipality under Sections
11 321.502 and 183.051(b), Tax Code, or to the county under Sections
12 323.502 and 183.051(b), Tax Code, and deposit into the trust fund
13 the tax revenues, less any amount of the revenue that the
14 municipality or county determines is necessary to meet the
15 obligations of the municipality or county. The comptroller shall
16 begin retaining and depositing the local tax revenues with the
17 first distribution of that tax revenue that occurs after the first
18 day of the two-week period described by Subsection (b) of this
19 section and shall discontinue retaining the local tax revenues
20 under this subsection when the amount of the applicable tax revenue
21 determined under Subsection (b)(2) or (b)(3) of this section has
22 been retained. The Other Events trust fund is established outside
23 the state treasury but is held in trust by the comptroller for
24 administration of this Act. Money in the trust fund may be spent by
25 the department without appropriation only as provided by this Act.

26 (e) In addition to the tax revenue deposited in the Other
27 Events trust fund under Subsection (d) of this section, an

1 endorsing municipality or endorsing county may guarantee its
2 obligations under a game support contract and this section by
3 pledging surcharges from user fees, including parking or ticket
4 fees, charged in connection with the game.

5 (f) The comptroller shall deposit a portion of the state tax
6 revenue determined under Subsection (b)(1) of this section in an
7 amount equal to 6.25 times the amount of the local sales and use tax
8 revenue and mixed beverage tax revenue retained and the hotel
9 occupancy tax revenue remitted by an endorsing municipality or
10 endorsing county under Subsection (d) of this section.

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

21 (h) The department may use the funds in the Other Events
22 trust fund to pay the principal of and interest on notes issued by
23 an endorsing municipality or endorsing county under Subsection (g)
24 of this section and to fulfill obligations of the state and an
25 endorsing municipality or endorsing county to a site selection
26 organization under a game support contract or any other agreement
27 obligating the department or the municipality or county to a site

1 selection organization, which obligations may include the payment
2 of costs relating to the preparations necessary or desirable for
3 the conduct of the game and the payment of costs of conducting the
4 game, including improvements or renovations to existing facilities
5 or other facilities and costs of acquisition or construction of new
6 facilities or other facilities.

7 (i) A local organizing committee, endorsing municipality,
8 or endorsing county shall provide information required by the
9 comptroller to enable the comptroller to fulfill the comptroller's
10 duties under this section, including annual audited statements of
11 any financial records required by a site selection organization and
12 data obtained by the local organizing committee, an endorsing
13 municipality, or an endorsing county relating to attendance at the
14 game and to the economic impact of the game. A local organizing
15 committee, endorsing municipality, or endorsing county must
16 provide an annual audited financial statement required by the
17 comptroller, if any, not later than the end of the fourth month
18 after the date the period covered by the financial statement ends.

19 (j) The comptroller shall provide an estimate not later than
20 three months before the date of a game of the total amount of tax
21 revenue that would be deposited in the Other Events trust fund under
22 this section in connection with that game, if the game were to be
23 held in this state at a site selected pursuant to an application by
24 a local organizing committee, endorsing municipality, or endorsing
25 county. The comptroller shall provide the estimate on request to a
26 local organizing committee, endorsing municipality, or endorsing
27 county. A local organizing committee, endorsing municipality, or

1 endorsing county may submit the comptroller's estimate to a site
2 selection organization.

3 (k) The department may not make a disbursement from the
4 Other Events trust fund unless the comptroller certifies that the
5 disbursement is for a purpose for which the state and the endorsing
6 municipality or the endorsing county are jointly or severally
7 obligated under a game support contract or other agreement
8 described by Subsection (h) of this section. The department may not
9 make any disbursements from the Other Events trust fund without
10 obtaining the prior approval of the contributing endorsing
11 municipality or endorsing county, whichever is applicable. A
12 disbursement may not be made from the trust fund that the department
13 determines would be used for the purpose of soliciting the
14 relocation of a professional sports franchise located in this
15 state.

16 (l) If the comptroller certifies under Subsection (k) of
17 this section that a disbursement may be made from the Other Events
18 trust fund, the obligation shall be satisfied proportionately from
19 the state and local revenue in the trust fund.

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

25 (n) This section may not be construed as creating or
26 requiring a state guarantee of obligations imposed on the state or
27 an endorsing municipality or endorsing county under a game support

1 contract or other agreement relating to hosting one or more games in
2 this state.

3 (o) This section expires January 1, 2007.

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

7 Sec. 6. MUNICIPAL OR COUNTY ELECTION. (a) Except as
8 provided by Subsections [~~Subsection~~] (b) and (d) of this section,
9 an endorsing municipality or endorsing county must hold an election
10 in the municipality or county to determine whether the municipality
11 or county may contribute a portion of its sales and use taxes [~~and~~
12 ~~hotel occupancy taxes~~] to the Pan American Games trust fund under
13 Section 4 of this Act, [or] a portion of its sales and use taxes to
14 the Olympic Games trust fund under Section 5 of this Act, or a
15 portion of its sales and use taxes to the Other Events trust fund
16 under Section 5A of this Act, as applicable to the game or games for
17 which the municipality or county has authorized a bid on its behalf.
18 The election must be held on a uniform election date [~~that occurs~~
19 ~~after the effective date of this Act and~~] before the date a site
20 selection organization requires the endorsing municipality or
21 endorsing county and the state to enter into a joinder undertaking
22 relating to the applicable game or games.

23 (b) An endorsing municipality or endorsing county
24 authorizing a bid on its behalf for the 2004 Super Bowl [~~2007 Pan~~
25 ~~American Games~~] is not required to hold an election under this
26 section if there is not a sufficient number of days between the
27 effective date of the amendment made by the 78th Legislature,

1 Regular Session, 2003, to add Section 5A to this Act and a uniform
 2 election date that occurs before the date a site selection
 3 organization requires that the endorsing municipality or endorsing
 4 county and the state enter into a joinder undertaking to allow the
 5 municipality or county to submit the proposed election to the
 6 United States attorney general for preclearance under Section 5 of
 7 the Voting Rights Act of 1965, as amended (42 U.S.C. Section 1973c),
 8 at least 120 days before the election.

9 (c) If an endorsing municipality or endorsing county is
 10 required to hold an election under this section and the
 11 contribution of a portion of the municipality's or county's sales
 12 and use taxes to the Pan American Games trust fund under Section 4
 13 of this Act, [or] Olympic Games trust fund under Section 5 of this
 14 Act, or the Other Events trust fund under Section 5A of this Act [
 15 ~~as applicable to the games for which the endorsing municipality~~
 16 ~~authorized a site selection bid on its behalf,~~] is not approved by a
 17 majority of the voters voting in the election:

18 (1) the comptroller may not establish the applicable
 19 ~~[Pan American Games] trust fund [under Section 4 of this Act or the~~
 20 ~~Olympic Games trust fund under Section 5 of this Act, as~~
 21 ~~applicable]~~, may not retain the municipality's or county's
 22 ~~[municipal sales and use]~~ tax revenue under Section 4(d), [or]
 23 5(d), or 5A(d) of this Act, as applicable, from amounts otherwise
 24 required to be sent to that municipality or county ~~[under Section~~
 25 ~~321.502, Tax Code]~~, and may not deposit any state tax revenue into
 26 the trust fund;

27 (2) the comptroller is not required to determine the

1 incremental increase in state, county, or ~~[and]~~ municipal tax
2 revenue under Section 4(b), ~~[or]~~ 5(b), or 5A(b) of this Act, as
3 applicable; and

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

7 (d) Notwithstanding any other provisions of this Act, an
8 endorsing municipality or endorsing county is not required to hold
9 an election in order to contribute its mixed beverage tax revenue or
10 its hotel occupancy tax revenue to the Olympic Games trust fund
11 under Section 5 of this Act or Other Events trust fund under Section
12 5A of this Act, as applicable to the game or games for which the
13 endorsing municipality or endorsing county authorized a site
14 selection bid on its behalf.

15 SECTION 7. Sections 7(a), (b), (e), (f), (g), (i), and (j),
16 Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999
17 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to
18 read as follows:

19 (a) The department shall review requests from a local
20 organizing committee, endorsing municipality, or endorsing county
21 that the department, on behalf of the state, enter into a games
22 support contract that is required by a site selection organization
23 in connection with the committee's, municipality's, or county's bid
24 to host any of the games.

25 (b) A request made under Subsection (a) of this section must
26 be accompanied by:

27 (1) a general description and summary of the games for

1 which a site selection is sought by the local organizing committee,
2 endorsing municipality, or endorsing county;

3 (2) a preliminary and general description of the
4 proposal the local organizing committee, endorsing municipality,
5 or endorsing county intends to submit to a site selection
6 organization;

7 (3) the estimated cost of preparing and submitting the
8 intended proposal;

9 (4) the local organizing committee's, endorsing
10 municipality's, or endorsing county's intended method of obtaining
11 the funds needed for the purpose of preparing the proposal;

12 (5) a description by type and approximate amount of
13 the site selection application costs that the local organizing
14 committee, endorsing municipality, or endorsing county intends to
15 pay; and

16 (6) any other information reasonably requested by the
17 department to assist it in reviewing the request.

18 (e) The department may agree in a joinder agreement that the
19 state will:

20 (1) provide or cause to be provided all of the
21 governmental funding, facilities, and other resources specified in
22 the local organizing committee's, endorsing municipality's, or
23 endorsing county's bid to host the games;

24 (2) be bound by the terms of, cause the local
25 organizing committee, endorsing municipality, or endorsing county
26 to perform, and guarantee performance of the local organizing
27 committee's, endorsing municipality's, or endorsing county's

obligations under contracts relating to selecting a site in this state for the games; and

(3) be jointly and severally liable with the local organizing committee, endorsing municipality, or endorsing county for:

(A) obligations of the local organizing committee, endorsing municipality, or endorsing county to a site selection organization, including obligations indemnifying the site selection organization against claims of and liabilities to third parties arising out of or relating to the games; and

(B) any financial deficit relating to the games.

(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 trust fund, ~~[or]~~ the Olympic Games trust fund, or the Other Events 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.

(g) Before executing a games support contract, the department must execute an agreement with the ~~[applicable]~~ local organizing committee, endorsing municipality, or endorsing county

1 requiring that if a site selection organization selects a site for
2 the games in this state pursuant to an application by the local
3 organizing committee, endorsing municipality, or endorsing county,
4 the local organizing committee, endorsing municipality, or
5 endorsing county will repay the state any funds expended by the
6 department under this Act from any surplus of the local organizing
7 committee's, endorsing municipality's, or endorsing county's funds
8 remaining after the presentation of the games and after the payment
9 of the expenses and obligations incurred by the local organizing
10 committee, endorsing municipality, or endorsing county.

11 (i) The department may require a local organizing
12 committee, endorsing municipality, or endorsing county to list the
13 state as an additional insured on any policy of insurance purchased
14 by the local organizing committee, endorsing municipality, or
15 endorsing county and required by a site selection organization to
16 be in effect in connection with the games.

17 (j) The Texas Department of Transportation, the Department
18 of Public Safety of the State of Texas, and the Texas Department of
19 Housing and Community Affairs may:

20 (1) assist a local organizing committee, endorsing
21 municipality, or endorsing county in developing applications and
22 planning for the games; and

23 (2) enter into contracts, agreements, or assurances
24 related to the presentation of the games.

25 SECTION 8. Section 26.041, Tax Code, is amended by adding
26 Subsection (j) to read as follows:

27 (j) Any amount derived from the sales and use tax that is

1 retained by the comptroller under Section 4, 5, or 5A, Chapter 1507,
2 Acts of the 76th Legislature, Regular Session, 1999 (Article
3 5190.14, Vernon's Texas Civil Statutes), is not considered to be
4 sales and use tax revenue for purposes of this section.

5 SECTION 9. Section 7(k), Chapter 1507, Acts of the 76th
6 Legislature, Regular Session, 1999 (Article 5190.14, Vernon's
7 Texas Civil Statutes), is repealed.

8 SECTION 10. This Act takes effect September 1, 2003.