

By: Woolley

H.B. No. 2768

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to facilitating and supporting the efforts of certain  
3 municipalities to promote economic development by hosting the Pan  
4 American Games, the Olympic Games, the Super Bowl, the NCAA Final  
5 Four, the NBA All Star Game, the MLB All Star Game, BCS Games, and  
6 World Cup Soccer Games, and events and activities related to any of  
7 the foregoing; authorizing certain municipalities and certain  
8 counties to issue notes for payment of obligations incurred to bid  
9 for, prepare for, and host any of the foregoing events.

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

11 SECTION 1. The heading to Article 5190.14, Vernon's Texas  
12 Civil Statutes, is amended to read as follows:

13 Art. 5190.14. Pan American Games; Olympic Games; Other  
14 Events

15 SECTION 2. Section 1, Article 5190.14, Vernon's Texas Civil  
16 Statutes, is amended to read as follows:

17 Sec. 1. In this Act:

18 (1) "BCS" means the NCAA Bowl Championship Series.

19 (2) "Department" means the Texas Department of  
20 Economic Development.

21 (3) "Endorsing municipality" means a municipality  
22 that has a population of 850,000 or more according to the most  
23 recent federal decennial census and that authorizes a bid by a local  
24 organizing committee for selection of the municipality as the site

1 of the game or games.

2 (4) "Endorsing county" means a county in which an  
3 endorsing municipality is located or which is adjacent to the  
4 county in which an endorsing municipality is located, and that  
5 authorizes a bid by a local organizing committee for selection of  
6 the county as the site for one or more Games.

7 (5) "FIFA" means the Fédération Internationale de  
8 Football Association.

9 (6) "Game" or "Games" means individually the [~~2007~~]  
10 Pan American Games, [~~or~~] the [~~2012~~] Olympic Games, the Super Bowl,  
11 the NCAA Final Four, the NBA All Star Game, NHL All Star Game, the  
12 MLB All Star Game, BCS Games, and World Cup Soccer Games, and any  
13 events and activities related to or associated with any of the  
14 foregoing.

15 (7) "Games support contract" means a joinder  
16 undertaking, a joinder agreement, or a similar contract executed by  
17 the department and containing terms permitted or required by this  
18 Act.

19 (8) "Joinder agreement" means an agreement entered  
20 into by:

21 (A) the department on behalf of this state and a  
22 site selection organization setting out representations and  
23 assurances by the state in connection with the selection of a site  
24 in this state for the location of any of the games; or

25 (B) an endorsing municipality and/or endorsing  
26 county, individually or collectively, and a site selection  
27 organization setting out representations and assurances by the

1 endorsing municipality and/or the endorsing county in connection  
2 with the selection of a site in this state for the location of any of  
3 the games.

4 (9) "Joinder undertaking" means an agreement entered  
5 into by:

6 (A) the department on behalf of this state and a  
7 site selection organization that the state will execute a joinder  
8 agreement in the event that the site selection organization selects  
9 a site in this state for any of the games; or

10 (B) an endorsing municipality and/or an  
11 endorsing county, individually or collectively, and a site  
12 selection organization that the endorsing municipality and/or the  
13 endorsing county will execute a joinder agreement in the event that  
14 the site selection organization selects a site in this state for any  
15 of the games.

16 (10) "Local organizing committee" means a nonprofit  
17 corporation or its successor in interest that:

18 (A) has been authorized by an endorsing  
19 municipality and/or an endorsing county, individually or  
20 collectively, to pursue an application and bid on the applicant's  
21 behalf to a site selection organization for selection as the site of  
22 one or more [~~of the~~] games; or

23 (B) with the authorization of an endorsing  
24 municipality, has executed an agreement with a site selection  
25 organization regarding a bid to host one or more [~~of the~~] games.

26 (11) "MLB" means Major League Baseball.

27 (12) "NBA" means the National Basketball Association.

1           (13) "NCAA" means the National Collegiate Athletic  
2 Association.

3           (14) "NFL" means the National Football League.

4           (15) "NHL" means the National Hockey League.

5           (16) "Site selection organization" means the United  
6 States Olympic Committee, the International Olympic Committee,  
7 [~~or~~] the Pan American Sports Organization, the NFL, the NCAA, the  
8 NBA, the NHL, the MLB, or FIFA.

9           SECTION 3. Section 2, Article 5190.14, Vernon's Texas Civil  
10 Statutes, is amended to read as follows:

11           Sec. 2. The purpose of this Act is to provide assurances  
12 required by a site selection organization sponsoring one or more  
13 [~~the~~] games and to provide financing for the costs involved in (1)  
14 making an application or bid for the location of one or more games  
15 in this state, and/or (2) making the preparations necessary and  
16 desirable for the conduct of one or more games in this state,  
17 including the construction or renovation of facilities, and/or (3)  
18 conducting one or more games in this state.

19           SECTION 4. Section 3, Article 5190.14, Vernon's Texas Civil  
20 Statutes, is amended to read as follows:

21           Sec. 3. The conduct in this state of one or more of the games  
22 will:

23           (1) provide invaluable public visibility throughout  
24 the world or the nation for this state and the communities where the  
25 games are held;

26           (2) encourage and provide major economic benefits to  
27 the communities where the games are held and to the entire state;

1 and

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

4 SECTION 5. Section 4(a), Article 5190.14, Vernon's Texas  
5 Civil Statutes, is amended to read as follows:

6 Sec. 4. (a) In this section:

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

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

10 SECTION 6. Section 4(i), Article 5190.14, Vernon's Texas  
11 Civil Statutes, is amended to read as follows:

12 (i) The comptroller shall provide an estimate not later than  
13 September 1[~~7-1999~~] of the year which is eight years prior to the  
14 year in which it is anticipated that the games may be held in the  
15 state, of the total amount of state and municipal tax revenue that  
16 would be deposited in the Pan American Games trust fund before  
17 January 1[~~7-2008~~] of the year after the year in which it is  
18 anticipated that the games will be held, if the games were to be  
19 held in this state at a site selected pursuant to an application by  
20 a local organizing committee. The comptroller shall provide the  
21 estimate on request to a local organizing committee. A local  
22 organizing committee may submit the comptroller's estimate to a  
23 site selection organization.

24 SECTION 7. Section 4(l), Article 5190.14, Vernon's Texas  
25 Civil Statutes, is amended to read as follows:

26 (1) On January 1[~~7-2009~~] of the second year after the year in  
27 which the games were held in the state, the comptroller shall

1 transfer to the general revenue fund any money remaining in the Pan  
2 American Games trust fund, not to exceed the amount of state revenue  
3 remaining in the trust fund, plus any interest earned on that state  
4 revenue. The comptroller shall remit to the endorsing municipality  
5 any money remaining in the trust fund after the required amount is  
6 transferred to the general revenue fund.

7 SECTION 8. Section 5(a), Vernon's Texas Civil Statutes, is  
8 amended to read as follows:

9 Sec. 5. (a) In this section:

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

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

13 SECTION 9. Section 5(b), Vernon's Texas Civil Statutes, is  
14 amended to read as follows:

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

23 (1) the incremental increase in the receipts to the  
24 state from the taxes imposed under Chapters 151, 152, 156, and 183,  
25 Tax Code, and under Title 5, Alcoholic Beverage Code, within the  
26 market areas designated under Subsection (c) of this section, that  
27 is directly attributable, as determined by the comptroller, to the

1 preparation for and presentation of the games and related events;

2 [~~and~~]

3 (2) the incremental increase in the receipts collected  
4 by the state on behalf of the endorsing municipality from the sales  
5 and use tax imposed by the endorsing municipality under Section  
6 321.101(a), Tax Code, and the mixed beverage tax to be received by  
7 the endorsing municipality under Section 183.051(b), Tax Code, that  
8 is directly attributable, as determined by the comptroller, to the  
9 preparation for and presentation of the games and related events;

10 and

11 (3) the incremental increase in the receipts collected  
12 by the state on behalf of the endorsing county from the sales and  
13 use tax imposed by the endorsing municipality under Section  
14 323.101(a), Tax Code, and the mixed beverage tax to be received by  
15 the endorsing county under Section 183.051(b), Tax Code, that are  
16 directly attributable, as determined by the comptroller, to the  
17 preparation for and presentation of the games and related events;

18 and

19 (4) the incremental increase in the receipts collected  
20 by the endorsing municipality from its hotel occupancy tax imposed  
21 under Chapter 351, Tax Code, that is directly attributable, as  
22 determined by the comptroller, to the preparation for and  
23 presentation of the games and related events, and

24 (5) the incremental increase in the receipts collected  
25 by the endorsing county from its hotel occupancy tax imposed under  
26 Chapter 352, Tax Code, that is directly attributable, as determined  
27 by the comptroller, to the preparation for and presentation of the

1 games and related events.

2 SECTION 10. Section 5(d), Vernon's Texas Civil Statutes, is  
3 amended to read as follows:

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 the endorsing municipality and/or endorsing county  
7 under a games support contract and this Act, the amount of sales and  
8 use tax revenue and mixed beverage tax revenue determined under  
9 Subsection (b)(2) and/or (b)(3) of this section from the amounts  
10 otherwise required to be sent to the endorsing municipality under  
11 Sections 321.502 or 183.051(b), Tax Code, or to the endorsing  
12 county under Sections 323.502 and 183.051(b), 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 sales and use tax revenue and mixed beverage tax revenue under  
16 Subsection (b)(2) and/or (b)(3) of this section. The comptroller  
17 shall discontinue retaining sales and use tax revenue and mixed  
18 beverage tax revenue under this subsection on the earlier of:

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

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

26 SECTION 11. Section 5(f), Vernon's Texas Civil Statutes, is  
27 amended to read as follows:



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

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

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

5           SECTION 12. Section 5(i), Vernon's Texas Civil Statutes, is  
6 amended to read as follows:

7           (i) The comptroller shall provide an estimate before August  
8 31[~~, 2000~~] of the year which is twelve years prior to the year in  
9 which the games are scheduled to be held, or as soon as practical  
10 after that date, of the total amount of state and municipal tax  
11 revenue that would be deposited in the Olympic Games trust fund if  
12 the games were to be held in this state at a site selected pursuant  
13 to an application by a local organizing committee. The comptroller  
14 shall provide the estimate on request to a local organizing  
15 committee. A local organizing committee may submit the  
16 comptroller's estimate to a site selection organization.

17           SECTION 13. Article 5190.14, Vernon's Texas Civil Statutes,  
18 is amended is add Section 5A to read as follows:

19           Payment and/or Guarantee of Municipal and/or County  
20 Obligations; Other Events Trust Fund

21           Sec. 5A. (a) In this section:

22           (1) "Game" means the Super Bowl, the NCAA Final Four,  
23 the NBA All Star Game, the NHL All Star Game, the MLB All Star Game,  
24 BCS Games, or World Cup Soccer Game and any events and activities  
25 related to or associated with any of the foregoing.

26           (2) "Games support contract" means, for the purposes  
27 of this section, a joinder undertaking, a joinder agreement, or a

1 similar contract executed by the endorsing municipality and/or an  
2 endorsing county and containing terms permitted or required by this  
3 section.

4 (3) "Joinder agreement" means, for the purposes of  
5 this section, an agreement entered into by an endorsing  
6 municipality and/or endorsing county and a site selection  
7 organization setting out representations and assurances by the  
8 endorsing municipality in connection with the selection of a site  
9 in this state for the location of the game.

10 (4) "Joinder undertaking" means, for the purposes of  
11 this section, an agreement entered into by an endorsing  
12 municipality and/or an endorsing county and a site selection  
13 organization that the endorsing municipality and/or endorsing  
14 county will execute a joinder agreement in the event that the site  
15 selection organization selects a site in this state for the game.

16 (5) "Site selection organization" means the NFL, NCAA,  
17 NBA, NHL, MLB or FIFA.

18 (b) If the site selection organization selects a site for a  
19 game in this state pursuant to an application by a local organizing  
20 committee, after the first occurrence of a measurable economic  
21 impact in this state as a result of the preparation for the game, as  
22 determined by the comptroller, but in no event later than three  
23 months before the date of the game, the comptroller shall determine  
24 for each subsequent calendar month, in accordance with procedures  
25 developed by the comptroller:

26 (1) the incremental increase in the receipts collected  
27 by the state on behalf of the endorsing municipality from the sales

1 and use tax imposed by the endorsing municipality under Section  
2 321.101(a), Tax Code, and the mixed beverage tax received by the  
3 endorsing municipality under Section 183.051(b), Tax Code, that is  
4 directly attributable, as determined by the comptroller, to the  
5 preparation for and presentation of the game and related events;  
6 and

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

14 (3) the incremental increase in the receipts collected  
15 by the endorsing municipality from its hotel occupancy tax imposed  
16 under Chapter 351, Tax Code, that is directly attributable, as  
17 determined by the comptroller, to the preparation for and  
18 presentation of the game and related events; and

19 (4) the incremental increase in the receipts collected  
20 by the endorsing county from its hotel occupancy tax imposed under  
21 Chapter 352, Tax Code, that is directly attributable, as determined  
22 by the comptroller, to the preparation for and presentation of the  
23 game and related events.

24 (c) For the purposes of Subsection (b)(1) of this section,  
25 the comptroller shall designate as a market area for the game each  
26 area in which the comptroller determines there is a reasonable  
27 likelihood of measurable economic impact directly attributable to

1 the preparation for and presentation of the game and related  
2 events, including areas likely to provide venues, accommodations,  
3 and services in connection with the game based on the proposal  
4 provided by the local organizing committee to the comptroller. The  
5 comptroller shall determine the geographic boundaries of each  
6 market area. The endorsing municipality and/or endorsing county  
7 that has been selected as the site for the game must be included in a  
8 market area for the game.

9 (d) Subject to Section 6 of this Act, the endorsing  
10 municipality and/or endorsing county shall establish a trust fund  
11 designated as the Other Events trust fund, and shall deposit into  
12 the trust fund the estimated incremental increase in the amount of  
13 sales and use tax revenue and mixed beverage tax revenue in the  
14 amount estimated by the comptroller under Subsection (b) of this  
15 section, minus any amount of such revenues which may be pledged to  
16 obligations of the municipality and/or county issued for purposes  
17 other than the support of a bid for, preparation for, or hosting of  
18 the games or related activities or events. Subject to Section 6 of  
19 this Act, the endorsing municipality and/or endorsing county shall  
20 also deposit into the trust fund the estimated incremental increase  
21 in the amount of their/its hotel occupancy tax revenue in the amount  
22 estimated by the comptroller under Subsection (b)(3) and/or (b)(4)  
23 of this section, minus any amount of such revenue which may be  
24 pledged to obligations of the municipality and/or county issued for  
25 purposes other than the support of a bid for, preparation for, or  
26 hosting of the game or related activities or events. The Other  
27 Events trust fund shall be established outside the general fund of

1 the endorsing municipality and/or endorsing county and is to be  
2 held in trust by the endorsing municipality and/or endorsing county  
3 for the administration of this section. Money in the trust fund may  
4 be spent by the endorsing municipality and/or endorsing county  
5 without appropriation and only as provided by this Act.

6 (e) In addition to the use of municipal sales and use, mixed  
7 beverage tax, and hotel occupancy tax revenue described under  
8 Subsection (d) of this section, an endorsing municipality and/or  
9 endorsing county may guarantee its obligations under a games  
10 support contract and this section by pledging surcharges from user  
11 fees, including parking or ticket fees, charged in connection with  
12 the game.

13 (f) To meet its obligations under a games support contract  
14 to improve, construct, renovate or acquire facilities or to acquire  
15 equipment, the endorsing municipality by ordinance and/or the  
16 endorsing county by order may authorize the issuance of notes. The  
17 endorsing municipality may provide that the notes be paid from and  
18 secured by amounts on deposit or amounts to be deposited into the  
19 Other Events trust fund and/or surcharges from user fees, including  
20 parking or ticket fees, charged in connection with the game. Any  
21 note issued must mature no later than [seven] years from its date of  
22 issuance.

23 (g) The endorsing municipality and/or endorsing county may  
24 use the funds in the Other Events trust fund only to fulfill  
25 obligations of the endorsing municipality and/or endorsing county  
26 to a site selection organization under a games support contract or  
27 any other agreement providing assurances from the endorsing

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

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

19 (i) The comptroller shall provide an estimate not later than  
20 one month after requested, of the total amount of tax revenue that  
21 would be deposited in the Other Events trust fund before the date of  
22 the game, if the game was to be held in this state at a site selected  
23 pursuant to an application by a local organizing committee. The  
24 comptroller shall provide the estimate on request to a local  
25 organizing committee. A local organizing committee may submit the  
26 comptroller's estimate to a site selection organization.

27 SECTION 14. Section 6, Article 5190.14, Vernon's Texas

1 Civil Statutes, is amended to read as follows:

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

18           (b) An endorsing municipality and/or an endorsing county  
19 authorizing a bid on its behalf for the 2007 Pan American Games or  
20 the 2004 Super Bowl is not required to hold an election under this  
21 section if there is not a sufficient number of days between the  
22 effective date of this Act or applicable revisions to this Act and a  
23 uniform election date that occurs before the date a site selection  
24 organization requires that the endorsing municipality and/or the  
25 endorsing county and or the state enter into a joinder undertaking  
26 to allow the endorsing municipality and/or the endorsing county to  
27 submit the proposed election to the United States attorney general



1 for preclearance under Section 5 of the Voting Rights Act of 1965,  
2 as amended (42 U.S.C. Section 1973c), at least 120 days before the  
3 election.

4 (c) An endorsing municipality and/or an endorsing county  
5 shall not be required to hold an election in order to contribute its  
6 mixed beverage tax revenue or its hotel occupancy tax revenue to the  
7 Pan American Games trust fund under Section 4 of this Act, to the  
8 Olympic Games trust fund under Section 5 of this Act, or to the  
9 Other Events trust fund under Section 6 of this Act.

10 SECTION 15. Section 6, Article 5190.14, Vernon's Texas  
11 Civil Statutes, is amended to add subsection (d) to read as follows:

12 (d) If an endorsing municipality and/or an endorsing county  
13 is required to hold an election under this section and the  
14 contribution of a portion of their/its sales and use taxes to the  
15 Other Events trust fund is not approved by a majority of the voters  
16 voting in the election, the endorsing municipality and/or the  
17 endorsing county may not request that the comptroller estimate the  
18 incremental increase in the taxes due to the hosting of the game in  
19 the municipality and/or county and may not deposit the estimated  
20 incremental increase in the sales and use taxes into the Other  
21 Events trust fund or use such taxes to support obligations of the  
22 endorsing municipality and/or the endorsing county under a games  
23 support contract.

24 SECTION 16. This Act takes effect September 1, 2003.

25 SECTION 17. The importance of this legislation and the  
26 crowded condition of the calendars in both houses create an  
27 emergency and an imperative public necessity that the

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1 constitutional rule requiring bills to be read on three several  
2 days in each house be suspended, and this rule is hereby suspended.