

By: Goodman

H.B. No. 2638

A BILL TO BE ENTITLED

AN ACT

relating to measures to support efforts of municipalities and counties to recruit or retain special events.

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

SECTION 1. Subtitle C, Title 12, Local Government Code, is amended by adding Chapter 398 to read as follows:

CHAPTER 398. MEASURES TO SUPPORT MUNICIPAL AND COUNTY SPECIAL
EVENTS

Sec. 398.001. DEFINITIONS. In this chapter:

(1) "Host community" means a municipality or county authorized by its governing body to host or assist in the presentation of a special event. The term includes a group of counties and municipalities that with the authorization of each governing body agree to jointly host or assist in the presentation of a special event.

(2) "Special event" means an event held in a public place within the boundaries of a host community.

Sec. 398.002. PURPOSE. The purpose of this chapter is to authorize a host community to use a portion of the sales tax revenue generated by a special event to assist in paying expenses incurred in connection with the event, including expenses for the purposes provided by Section 398.006(c).

Sec. 398.003. LEGISLATIVE FINDINGS. The legislature finds that the conduct in this state of a special event will:

1 (1) provide substantial economic benefits to the
2 community where the special event is held and to the entire state;
3 and

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

6 Sec. 398.004. ECONOMIC IMPACT STUDY. (a) To be eligible to
7 use a portion of the tax revenue generated by a special event to
8 assist in paying expenses incurred in connection with the event
9 under this chapter, a host community must submit an economic impact
10 study of the geographic area expected to experience economic
11 benefits from the special event.

12 (b) The economic impact study must identify the geographic
13 area expected to experience economic benefits from the special
14 event and provide an estimate of:

15 (1) the general economic impact likely to occur in the
16 area as a result of the event; and

17 (2) the anticipated amount of increase in the tax
18 receipts to this state from the taxes imposed under Chapter 151, Tax
19 Code, that:

20 (A) will occur in the special event area during
21 the period that begins on the day before the first day of the event
22 and ends at the earlier of:

23 (i) the end of the day following the last
24 day of the event; or

25 (ii) the end of the 30th day after the day
26 before the first day of the event; and

27 (B) is directly attributable to the preparation

1 for and presentation of the event.

2 Sec. 398.005. SPECIAL EVENT PLAN; REQUEST FOR MONEY;
3 APPROVAL. (a) Not less than six months before the first day of a
4 special event, a host community requesting money under this chapter
5 shall submit a special event plan to the Texas Economic Development
6 and Tourism Office.

7 (b) A special event plan must include:

8 (1) a copy of an economic impact study for the special
9 event;

10 (2) the history of the event in the special event area,
11 previous attempts made by the host community to secure the event,
12 attempts by other communities to recruit the event, and any other
13 information that would justify approval of the amount of money
14 requested for the event under this chapter;

15 (3) a detailed explanation justifying each expense as
16 it relates to the purposes provided by Section 398.006(c) that each
17 political subdivision within a host community anticipates will be
18 incurred in connection with hosting the event and for which each
19 political subdivision intends to use revenue from the special event
20 trust fund established by the comptroller for the host community
21 under this chapter;

22 (4) an estimate of the total amount of expenses each
23 political subdivision within a host community anticipates will be
24 incurred in hosting the event; and

25 (5) a request that an amount of money, not to exceed
26 one-half of the amount of the total expenses estimated under
27 Subdivision (4), be deposited by the comptroller into a special

1 event trust fund for the host community.

2 (c) A host community may submit with a special event plan a
3 copy of an agreement between each political subdivision within the
4 host community and the organizers of the special event, which may
5 include provisions governing the expenses the host community or a
6 political subdivision has agreed to pay. The agreement may not be
7 for a term greater than five years.

8 (d) The Texas Economic Development and Tourism Office shall
9 submit the host community's special event plan to the governor,
10 lieutenant governor, and the speaker of the house of
11 representatives for approval. The plan is considered approved if
12 the written approval of the governor, lieutenant governor, and the
13 speaker of the house of representatives is received by the office
14 not later than the 90th day after the date the office received the
15 plan from the host community.

16 (e) If the written approval of the governor, lieutenant
17 governor, and the speaker of the house of representatives is not
18 received as provided by Subsection (d), the special event plan is
19 considered disapproved.

20 Sec. 398.006. SPECIAL EVENT TRUST FUND. (a) If a special
21 event plan is approved under Section 398.005 and the host community
22 is selected as the site of the special event, the comptroller shall
23 deposit into a special event trust fund established by the
24 comptroller for the host community the amount requested in the
25 special event plan approved as provided by Section 398.005. The
26 comptroller shall make the deposits from the state tax receipts as
27 soon as practicable after those taxes are collected.

1 (b) The special event trust fund for a host community shall
2 be established outside the treasury and held in trust by the
3 comptroller for the administration of this chapter. Money in the
4 trust fund may be disbursed by the comptroller only as provided by
5 this chapter. No appropriation is necessary for that purpose.

6 (c) A host community may use the money in the special event
7 trust fund only for a public purpose related to the special event to
8 pay the expenses of:

9 (1) providing security specifically for the event;

10 (2) providing public transportation and traffic
11 management services for the event;

12 (3) providing or renting public facilities and the
13 utilities associated with the use of the facilities during the
14 event;

15 (4) preparing or maintaining a contract associated
16 with conducting the event;

17 (5) providing maintenance and janitorial services in
18 preparation for, during, or on completion of the event;

19 (6) developing or providing a special promotion,
20 incentive, or award for or associated with the event; and

21 (7) any other activity or item authorized in the
22 special event plan approved under Section 398.005.

23 (d) A host community may not use the money in the special
24 event trust fund to construct a facility that will be used for
25 purposes other than the special event.

26 (e) Each political subdivision within a host community
27 shall submit to the comptroller a written application for

1 reimbursement for an approved event-related expense accompanied by
2 a paid invoice or receipt. On receipt of the application in proper
3 form, the comptroller shall make a disbursement from the political
4 subdivision's special event trust fund to reimburse the political
5 subdivision for an event-related expense authorized by Subsection
6 (c) and incurred by the political subdivision.

7 (f) Not later than the 180th day following the last day of
8 the special event, or on an earlier date if each political
9 subdivision within a host community certifies to the comptroller
10 that the political subdivision has paid all obligations payable
11 from the special event trust fund, the comptroller shall transfer
12 to the general revenue fund any money remaining in the trust fund.

13 Sec. 398.007. INFORMATION AND AUDIT. (a) Each political
14 subdivision within a host community shall provide the information
15 required by the comptroller to enable the comptroller to carry out
16 the comptroller's duties under this chapter.

17 (b) A political subdivision shall provide to the
18 comptroller an audited financial statement in the form and at the
19 time required by the comptroller with sufficient information to
20 enable the comptroller to verify that all expenditures from a host
21 community's special event trust fund were authorized by law.

22 Sec. 398.008. NO STATE GUARANTEE OF OBLIGATIONS. This
23 chapter may not be construed as creating or requiring a state
24 guarantee of obligations incurred by a host community under a
25 contract or other agreement relating to hosting or conducting a
26 special event in this state.

27 SECTION 2. This Act takes effect September 1, 2005.