

AN ACT

relating to authorizing measures to support efforts to attract major motor sports racing events to this state.

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

SECTION 1. Subdivision (8), Section 1, Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

(8) "Site selection organization" means the United States Olympic Committee, the International Olympic Committee, the Pan American Sports Organization, the National Football League, the National Collegiate Athletic Association, the National Basketball Association, the National Hockey League, Major League Baseball, Federation Internationale de Football Association (FIFA), ~~or~~ the International World Games Association, the Automobile Competition Committee for the United States (ACCUS) affiliated with the Federation Internationale de l'Automobile, the Champ Car organization, or the American Le Mans Series organization.

SECTION 2. Section 2, Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

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

1 (1) applying or bidding for selection as the site of
2 major sporting or athletic events [~~the games~~] in this state;

3 (2) making the preparations necessary and desirable
4 for the conduct of major sporting or athletic events [~~the games~~] in
5 this state, including the construction or renovation of facilities
6 to the extent authorized by this Act; and

7 (3) conducting major sporting or athletic events [~~the~~
8 ~~games~~] in this state.

9 SECTION 3. Section 3, Chapter 1507, Acts of the 76th
10 Legislature, Regular Session, 1999 (Article 5190.14, Vernon's
11 Texas Civil Statutes), as amended by Section 2, Chapter 579, and
12 Section 5.02, Chapter 814, Acts of the 78th Legislature, Regular
13 Session, 2003, is reenacted and amended to read as follows:

14 Sec. 3. LEGISLATIVE FINDINGS. The conduct in this state of
15 one or more major sporting or athletic events [~~games~~] will:

16 (1) provide invaluable public visibility throughout
17 the nation or world for this state and the communities where the
18 major sporting or athletic events [~~games~~] are held;

19 (2) encourage and provide major economic benefits to
20 the communities where the major sporting or athletic events [~~games~~]
21 are held and to the entire state; and

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

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

27 Sec. 5B. GUARANTEE OF STATE AND MUNICIPAL OR COUNTY

1 OBLIGATIONS; MOTOR SPORTS RACING TRUST FUND. (a) In this section:

2 (1) "Endorsing county" means a county with a
3 population of one million or more that contains a site selected by a
4 site selection organization for one or more motor sports racing
5 events.

6 (2) "Endorsing municipality" means a municipality
7 with a population of one million or more that contains a site
8 selected by a site selection organization for one or more motor
9 sports racing events.

10 (3) "Event support contract" means a joinder
11 undertaking, joinder agreement, or similar contract executed by an
12 endorsing municipality or endorsing county and a site selection
13 organization.

14 (4) "Motor sports racing event" means a specific
15 automobile racing event for a particular year referred to as the
16 United States Grand Prix, or a specific automobile racing event
17 that is part of the Champ Car World Series or the American Le Mans
18 Series. The term includes any events and activities held,
19 sponsored, or endorsed by the site selection organization in
20 conjunction with the racing event.

21 (b) If a site selection organization selects a site for a
22 motor sports racing event in this state pursuant to an application
23 by a local organizing committee, endorsing municipality, or
24 endorsing county, not later than three months before the date of the
25 motor sports racing event, the comptroller shall determine for the
26 30-day period that ends at the end of the day after the date on which
27 the racing event will be held, in accordance with procedures

1 developed by the comptroller:

2 (1) the incremental increase in the receipts to the
3 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax
4 Code, and under Title 5, Alcoholic Beverage Code, within the market
5 areas designated under Subsection (c) of this section, that is
6 directly attributable, as determined by the comptroller, to the
7 preparation for and presentation of the racing event;

8 (2) the incremental increase in the receipts collected
9 by the state on behalf of each endorsing municipality in the market
10 area from the sales and use tax imposed by each endorsing
11 municipality under Section 321.101(a), Tax Code, and the mixed
12 beverage tax revenue to be received by each endorsing municipality
13 under Section 183.051(b), Tax Code, that is directly attributable,
14 as determined by the comptroller, to the preparation for and
15 presentation of the racing event;

16 (3) the incremental increase in the receipts collected
17 by the state on behalf of each endorsing county in the market area
18 from the sales and use tax imposed by each endorsing county under
19 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to
20 be received by each endorsing county under Section 183.051(b), Tax
21 Code, that is directly attributable, as determined by the
22 comptroller, to the preparation for and presentation of the racing
23 event;

24 (4) the incremental increase in the receipts collected
25 by each endorsing municipality in the market area from the hotel
26 occupancy tax imposed under Chapter 351, Tax Code, that is directly
27 attributable, as determined by the comptroller, to the preparation

1 for and presentation of the racing event; and

2 (5) the incremental increase in the receipts collected
3 by each endorsing county in the market area from the hotel occupancy
4 tax imposed under Chapter 352, Tax Code, that is directly
5 attributable, as determined by the comptroller, to the preparation
6 for and presentation of the racing event.

7 (c) For the purposes of Subsection (b)(1) of this section,
8 the comptroller shall designate as a market area for the motor
9 sports racing event each area in which the comptroller determines
10 there is a reasonable likelihood of measurable economic impact
11 directly attributable to the preparation for and presentation of
12 the racing event, including areas likely to provide venues,
13 accommodations, and services in connection with the racing event
14 based on a proposal or other information provided by an endorsing
15 municipality, endorsing county, or local organizing committee to
16 the comptroller. The comptroller shall determine the geographic
17 boundaries of each market area. An endorsing municipality or
18 endorsing county that has been selected as the site for the racing
19 event must be included in a market area for the racing event.

20 (d) Each endorsing municipality or endorsing county shall
21 remit to the comptroller and the comptroller shall deposit into a
22 trust fund created by the comptroller and designated as the Motor
23 Sports Racing trust fund for the particular event the amount of the
24 municipality's or county's hotel occupancy tax revenue determined
25 under Subsection (b)(4) or (5) of this section, less any amount of
26 the revenue that the municipality or county determines is necessary
27 to meet the obligations of the municipality or county. The

1 comptroller shall retain the amount of sales and use tax revenue and
2 mixed beverage tax revenue determined under Subsection (b)(2) or
3 (3) of this section from the amounts otherwise required to be sent
4 to the municipality under Sections 321.502 and 183.051(b), Tax
5 Code, or to the county under Sections 323.502 and 183.051(b), Tax
6 Code, and deposit into the trust fund the tax revenues, less any
7 amount of the revenue that the municipality or county determines is
8 necessary to meet the obligations of the municipality or county.
9 The comptroller shall begin retaining and depositing the local tax
10 revenues with the first distribution of that tax revenue that
11 occurs after the first day of the 30-day period described by
12 Subsection (b) of this section and shall discontinue retaining the
13 local tax revenues under this subsection when the amount of the
14 applicable tax revenue determined under Subsection (b)(2) or (3) of
15 this section has been retained. The Motor Sports Racing trust fund
16 is established outside the state treasury and is held in trust by
17 the comptroller for administration of this section. Money in the
18 trust fund may be disbursed by the comptroller without
19 appropriation only as provided by this section.

20 (e) In addition to the tax revenue deposited in the Motor
21 Sports Racing trust fund under Subsection (d) of this section, an
22 endorsing municipality or endorsing county may guarantee its
23 obligations under a motor sports racing event support contract and
24 this section by pledging surcharges from user fees, including
25 parking or ticket fees, charged in connection with the racing
26 event.

27 (f) The comptroller shall deposit a portion of the state tax

1 revenue determined under Subsection (b)(1) of this section in an
2 amount equal to 6.25 times the amount of the local sales and use tax
3 revenue and mixed beverage tax revenue retained and the hotel
4 occupancy tax revenue remitted by an endorsing municipality or
5 endorsing county under Subsection (d) of this section.

6 (g) To meet its obligations under a motor sports racing
7 event support contract or event support contract to improve,
8 renovate, or acquire facilities or to acquire equipment, an
9 endorsing municipality by ordinance or an endorsing county by order
10 may authorize the issuance of notes. An endorsing municipality or
11 endorsing county may provide that the notes be paid from and secured
12 by amounts on deposit or amounts to be deposited into the Motor
13 Sports Racing trust fund or surcharges from user fees, including
14 parking or ticket fees, charged in connection with the racing
15 event. Any note issued must mature not later than seven years from
16 its date of issuance.

17 (h) The funds in the Motor Sports Racing trust fund may be
18 used to pay the principal of and interest on notes issued by an
19 endorsing municipality or endorsing county under Subsection (g) of
20 this section and to fulfill obligations of the state or an endorsing
21 municipality or endorsing county to a site selection organization
22 under a motor sports racing event support contract or event support
23 contract, which obligations may include the payment of costs
24 relating to the preparations necessary or desirable for the conduct
25 of the racing event and the payment of costs of conducting the
26 racing event, including temporary improvements or temporary
27 renovations to existing facilities or other facilities specific to

1 the event.

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

15 (j) The comptroller shall provide an estimate not later than
16 three months before the date of a motor sports racing event of the
17 total amount of tax revenue that would be deposited in the Motor
18 Sports Racing trust fund under this section in connection with that
19 racing event, if the racing event were to be held in this state at a
20 site selected pursuant to an application by a local organizing
21 committee, endorsing municipality, or endorsing county. The
22 comptroller shall provide the estimate on request to a local
23 organizing committee, endorsing municipality, or endorsing county.
24 A local organizing committee, endorsing municipality, or endorsing
25 county may submit the comptroller's estimate to a site selection
26 organization.

27 (k) The comptroller may make a disbursement from the Motor

1 Sports Racing trust fund on the prior approval of each contributing
2 endorsing municipality or endorsing county for a purpose for which
3 an endorsing municipality or endorsing county or the state is
4 obligated under a motor sports racing event support contract or
5 event support contract. A disbursement may not be made from the
6 trust fund that the comptroller determines would be used for the
7 purpose of soliciting the relocation of a professional sports
8 franchise located in this state.

9 (l) If a disbursement is made from the Motor Sports Racing
10 trust fund under Subsection (k) of this section, the obligation
11 shall be satisfied proportionately from the state and local revenue
12 in the trust fund.

13 (m) On payment of all state, municipal, or county
14 obligations under a motor sports racing support contract or event
15 support contract related to the location of any particular racing
16 event in the state, the comptroller shall remit to each endorsing
17 entity, in proportion to the amount contributed by the entity, any
18 money remaining in the trust fund.

19 (n) This section may not be construed as creating or
20 requiring a state guarantee of obligations imposed on the state or
21 an endorsing municipality or endorsing county under a motor sports
22 racing event support contract or other agreement relating to
23 hosting one or more racing events in this state.

24 (o) The comptroller may not undertake any of the
25 responsibilities or duties set forth in this section unless a
26 request is submitted by the municipality and the county in which the
27 motor sports racing event will be held. The request must be

1 accompanied by documentation from a site selection organization
2 selecting the site for the racing event.

3 (p) Any provision of this Act applicable to games as defined
4 by Section 1(3) of this Act also applies to a motor sports racing
5 event as defined in this section.

6 SECTION 5. Subsection (a), Section 7, Chapter 1507, Acts of
7 the 76th Legislature, Regular Session, 1999 (Article 5190.14,
8 Vernon's Texas Civil Statutes), is amended to read as follows:

9 (a) The department shall review requests from a local
10 organizing committee, endorsing municipality, or endorsing county
11 that the department, on behalf of the state, enter into a games
12 support contract that is required by a site selection organization
13 in connection with the committee's, municipality's, or county's bid
14 to host any of the games. This section does not affect or apply to
15 an event support contract under Section 5A or Section 5B of this Act
16 to which the department is not a party.

17 SECTION 6. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 150 passed the Senate on April 21, 2005, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 26, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 150 passed the House, with amendment, on May 20, 2005, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor