

1 AN ACT

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

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

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

7 CHAPTER 398. MEASURES TO SUPPORT MUNICIPAL AND COUNTY SPECIAL  
8 EVENTS

9 Sec. 398.001. DEFINITIONS. In this chapter:

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

16 (2) "Site selection organization" means an  
17 organization that, through a competitive selection process in which  
18 at least one site that is not located in this state was considered,  
19 chooses a site for an event conducted by the organization.

20 (3) "Special event" means an event held in a public  
21 place within the boundaries of a host community that is selected by  
22 a site selection organization as the site for the event.

23 Sec. 398.002. PURPOSE. The purpose of this chapter is to  
24 authorize a host community to use a portion of the sales tax revenue

1 generated by a special event to assist in paying expenses incurred  
2 in connection with the event, including expenses for the purposes  
3 provided by Section 398.007(c).

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

6 (1) provide substantial economic benefits to the  
7 community where the special event is held and to the entire state;  
8 and

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

11 Sec. 398.004. ECONOMIC IMPACT STUDY. (a) To be eligible  
12 to use a portion of the tax revenue generated by a special event to  
13 assist in paying expenses incurred in connection with the event  
14 under this chapter, a host community must conduct an economic  
15 impact study of the geographic area expected to experience economic  
16 benefits from the special event and submit the study to the  
17 comptroller for certification.

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

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

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

26 (A) will occur in the special event area during  
27 the period that begins on the day before the first day of the event

1 and ends at the earlier of:

2 (i) the end of the day following the last  
3 day of the event; or

4 (ii) the end of the 30th day after the day  
5 before the first day of the event; and

6 (B) is directly attributable to the preparation  
7 for and presentation of the event.

8 Sec. 398.005. COMPTROLLER CERTIFICATION OF ECONOMIC IMPACT  
9 STUDY. (a) Not later than the 30th day after receiving the  
10 economic impact study from a host community, the comptroller shall:

11 (1) determine whether the study accurately estimates  
12 the amount of increase in the tax receipts to this state described  
13 by Section 398.004(b)(2); and

14 (2) if the comptroller determines that the study  
15 accurately reflects the increase in those tax receipts, certify the  
16 study.

17 (b) If the comptroller determines that the economic impact  
18 study submitted by the host community does not accurately estimate  
19 the amount of increase in the tax receipts to this state described  
20 by Section 398.004(b)(2), the comptroller not later than the 30th  
21 day after receiving the study shall:

22 (1) submit a preliminary determination to the host  
23 community; and

24 (2) provide the host community with an opportunity to  
25 respond or submit a new or amended economic impact study to the  
26 comptroller.

27 Sec. 398.006. SPECIAL EVENT PLAN; REQUEST FOR MONEY;

1 APPROVAL. (a) Not less than six months before the first day of a  
2 special event, a host community requesting money under this chapter  
3 shall submit a special event plan to the Texas Economic Development  
4 and Tourism Office.

5 (b) A special event plan must include:

6 (1) a copy of an economic impact study for the special  
7 event that has been certified under Section 398.005;

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

14 (3) a detailed explanation justifying each expense as  
15 it relates to the purposes provided by Section 398.007(c) that each  
16 political subdivision within a host community anticipates will be  
17 incurred in connection with hosting the event and for which each  
18 political subdivision intends to use revenue from the special event  
19 trust fund established by the comptroller for the host community  
20 under this chapter;

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

24 (5) a request that an amount of money, not to exceed  
25 the lesser of one-half of the amount of the total expenses estimated  
26 under Subdivision (4) or one-half of the amount of the anticipated  
27 increase in tax receipts to this state described by Section

1 398.004(b)(2) according to the certified economic impact study, be  
2 deposited by the comptroller into a special event trust fund for the  
3 host community.

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

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

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

22 Sec. 398.007. SPECIAL EVENT TRUST FUND. (a) If a special  
23 event plan is approved under Section 398.006 and the host community  
24 is selected as the site of the special event, the comptroller shall  
25 deposit into a special event trust fund established by the  
26 comptroller for the host community the amount requested in the  
27 special event plan approved as provided by Section 398.006. The

1 comptroller shall make the deposits from the state tax receipts as  
2 soon as practicable after those taxes are collected.

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

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

11 (1) providing security specifically for the event;

12 (2) providing public transportation and traffic  
13 management services for the event;

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

17 (4) preparing or maintaining a contract associated  
18 with conducting the event;

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

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

23 (7) any other activity or item authorized in the  
24 special event plan approved under Section 398.006.

25 (d) A host community may not use the money in the special  
26 event trust fund to construct a facility.

27 (e) Each political subdivision within a host community

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

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

14 Sec. 398.008. INFORMATION AND AUDIT. (a) Each political  
15 subdivision within a host community shall provide the information  
16 required by the comptroller to enable the comptroller to carry out  
17 the comptroller's duties under this chapter.

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

23 Sec. 398.009. NO STATE GUARANTEE OF OBLIGATIONS. This  
24 chapter may not be construed as creating or requiring a state  
25 guarantee of obligations incurred by a host community under a  
26 contract or other agreement relating to hosting or conducting a  
27 special event in this state.

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

\_\_\_\_\_  
President of the Senate

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Speaker of the House

I hereby certify that S.B. No. 1253 passed the Senate on May 5, 2005, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1253 passed the House on May 13, 2005, by a non-record vote.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor