

1-1 By: Brimer S.B. No. 1253
1-2 (In the Senate - Filed March 19, 2005; March 21, 2005, read
1-3 first time and referred to Subcommittee on Emerging Technologies
1-4 and Economic Development; April 19, 2005, reported favorably to
1-5 Committee on Business and Commerce; April 29, 2005, reported
1-6 adversely, with favorable Committee Substitute from Committee on
1-7 Business and Commerce by the following vote: Yeas 8, Nays 0;
1-8 April 29, 2005, sent to printer.)

1-9 COMMITTEE SUBSTITUTE FOR S.B. No. 1253 By: Brimer

1-10 A BILL TO BE ENTITLED
1-11 AN ACT

1-12 relating to measures to support efforts of municipalities and
1-13 counties to recruit or retain special events.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. Subtitle C, Title 12, Local Government Code, is
1-16 amended by adding Chapter 398 to read as follows:

1-17 CHAPTER 398. MEASURES TO SUPPORT MUNICIPAL AND COUNTY SPECIAL
1-18 EVENTS

1-19 Sec. 398.001. DEFINITIONS. In this chapter:

1-20 (1) "Host community" means a municipality or county
1-21 authorized by its governing body to host or assist in the
1-22 presentation of a special event. The term includes a group of
1-23 counties and municipalities that with the authorization of each
1-24 governing body agree to jointly host or assist in the presentation
1-25 of a special event.

1-26 (2) "Site selection organization" means an
1-27 organization that, through a competitive selection process in which
1-28 at least one site that is not located in this state was considered,
1-29 chooses a site for an event conducted by the organization.

1-30 (3) "Special event" means an event held in a public
1-31 place within the boundaries of a host community that is selected by
1-32 a site selection organization as the site for the event.

1-33 Sec. 398.002. PURPOSE. The purpose of this chapter is to
1-34 authorize a host community to use a portion of the sales tax revenue
1-35 generated by a special event to assist in paying expenses incurred
1-36 in connection with the event, including expenses for the purposes
1-37 provided by Section 398.007(c).

1-38 Sec. 398.003. LEGISLATIVE FINDINGS. The legislature finds
1-39 that the conduct in this state of a special event will:

1-40 (1) provide substantial economic benefits to the
1-41 community where the special event is held and to the entire state;
1-42 and

1-43 (2) provide opportunities for the creation of jobs by
1-44 local and state businesses that pay a living wage.

1-45 Sec. 398.004. ECONOMIC IMPACT STUDY. (a) To be eligible
1-46 to use a portion of the tax revenue generated by a special event to
1-47 assist in paying expenses incurred in connection with the event
1-48 under this chapter, a host community must conduct an economic
1-49 impact study of the geographic area expected to experience economic
1-50 benefits from the special event and submit the study to the
1-51 comptroller for certification.

1-52 (b) The economic impact study must identify the geographic
1-53 area expected to experience economic benefits from the special
1-54 event and provide an estimate of:

1-55 (1) the general economic impact likely to occur in the
1-56 area as a result of the event; and

1-57 (2) the anticipated amount of increase in the tax
1-58 receipts to this state from the taxes imposed under Chapter 151, Tax
1-59 Code, that:

1-60 (A) will occur in the special event area during
1-61 the period that begins on the day before the first day of the event
1-62 and ends at the earlier of:

1-63 (i) the end of the day following the last

2-1 day of the event; or
 2-2 (ii) the end of the 30th day after the day
 2-3 before the first day of the event; and

2-4 (B) is directly attributable to the preparation
 2-5 for and presentation of the event.

2-6 Sec. 398.005. COMPTROLLER CERTIFICATION OF ECONOMIC IMPACT
 2-7 STUDY. (a) Not later than the 30th day after receiving the
 2-8 economic impact study from a host community, the comptroller shall:

2-9 (1) determine whether the study accurately estimates
 2-10 the amount of increase in the tax receipts to this state described
 2-11 by Section 398.004(b)(2); and

2-12 (2) if the comptroller determines that the study
 2-13 accurately reflects the increase in those tax receipts, certify the
 2-14 study.

2-15 (b) If the comptroller determines that the economic impact
 2-16 study submitted by the host community does not accurately estimate
 2-17 the amount of increase in the tax receipts to this state described
 2-18 by Section 398.004(b)(2), the comptroller not later than the 30th
 2-19 day after receiving the study shall:

2-20 (1) submit a preliminary determination to the host
 2-21 community; and

2-22 (2) provide the host community with an opportunity to
 2-23 respond or submit a new or amended economic impact study to the
 2-24 comptroller.

2-25 Sec. 398.006. SPECIAL EVENT PLAN; REQUEST FOR MONEY;
 2-26 APPROVAL. (a) Not less than six months before the first day of a
 2-27 special event, a host community requesting money under this chapter
 2-28 shall submit a special event plan to the Texas Economic Development
 2-29 and Tourism Office.

2-30 (b) A special event plan must include:

2-31 (1) a copy of an economic impact study for the special
 2-32 event that has been certified under Section 398.005;

2-33 (2) the history of the event in the special event area,
 2-34 a description of previous attempts by the host community to secure
 2-35 the event, information regarding attempts by other communities to
 2-36 recruit the event, and any other information that would justify
 2-37 approval of the amount of money requested for the event under this
 2-38 chapter;

2-39 (3) a detailed explanation justifying each expense as
 2-40 it relates to the purposes provided by Section 398.007(c) that each
 2-41 political subdivision within a host community anticipates will be
 2-42 incurred in connection with hosting the event and for which each
 2-43 political subdivision intends to use revenue from the special event
 2-44 trust fund established by the comptroller for the host community
 2-45 under this chapter;

2-46 (4) an estimate of the total amount of expenses each
 2-47 political subdivision within a host community anticipates will be
 2-48 incurred in hosting the event; and

2-49 (5) a request that an amount of money, not to exceed
 2-50 the lesser of one-half of the amount of the total expenses estimated
 2-51 under Subdivision (4) or one-half of the amount of the anticipated
 2-52 increase in tax receipts to this state described by Section
 2-53 398.004(b)(2) according to the certified economic impact study, be
 2-54 deposited by the comptroller into a special event trust fund for the
 2-55 host community.

2-56 (c) A host community may submit with a special event plan a
 2-57 copy of an agreement between each political subdivision within the
 2-58 host community and the organizers of the special event, which may
 2-59 include provisions governing the expenses the host community or a
 2-60 political subdivision has agreed to pay. The agreement may not be
 2-61 for a term greater than five years.

2-62 (d) The Texas Economic Development and Tourism Office shall
 2-63 submit the host community's special event plan to the governor, the
 2-64 lieutenant governor, and the speaker of the house of
 2-65 representatives for approval. The plan is considered approved if
 2-66 the written approval of the governor, the lieutenant governor, and
 2-67 the speaker of the house of representatives is received by the
 2-68 office not later than the 90th day after the date the office
 2-69 received the plan from the host community.

3-1 (e) If the written approval of the governor, the lieutenant
3-2 governor, and the speaker of the house of representatives is not
3-3 received as provided by Subsection (d), the special event plan is
3-4 considered disapproved.

3-5 Sec. 398.007. SPECIAL EVENT TRUST FUND. (a) If a special
3-6 event plan is approved under Section 398.006 and the host community
3-7 is selected as the site of the special event, the comptroller shall
3-8 deposit into a special event trust fund established by the
3-9 comptroller for the host community the amount requested in the
3-10 special event plan approved as provided by Section 398.006. The
3-11 comptroller shall make the deposits from the state tax receipts as
3-12 soon as practicable after those taxes are collected.

3-13 (b) The special event trust fund for a host community shall
3-14 be established outside the treasury and held in trust by the
3-15 comptroller for the administration of this chapter. Money in the
3-16 trust fund may be disbursed by the comptroller only as provided by
3-17 this chapter. No appropriation is necessary for that purpose.

3-18 (c) A host community may use the money in the special event
3-19 trust fund only for a public purpose related to the special event to
3-20 pay the expenses of:

3-21 (1) providing security specifically for the event;
3-22 (2) providing public transportation and traffic
3-23 management services for the event;

3-24 (3) providing or renting public facilities and the
3-25 utilities associated with the use of the facilities during the
3-26 event;

3-27 (4) preparing or maintaining a contract associated
3-28 with conducting the event;

3-29 (5) providing maintenance and janitorial services in
3-30 preparation for, during, or on completion of the event;

3-31 (6) developing or providing a special promotion,
3-32 incentive, or award for or associated with the event; and

3-33 (7) any other activity or item authorized in the
3-34 special event plan approved under Section 398.006.

3-35 (d) A host community may not use the money in the special
3-36 event trust fund to construct a facility.

3-37 (e) Each political subdivision within a host community
3-38 shall submit to the comptroller a written application for
3-39 reimbursement for an approved event-related expense accompanied by
3-40 a paid invoice or receipt. On receipt of the application in proper
3-41 form, the comptroller shall make a disbursement from the political
3-42 subdivision's special event trust fund to reimburse the political
3-43 subdivision for an event-related expense authorized by Subsection
3-44 (c) and incurred by the political subdivision.

3-45 (f) Not later than the 180th day following the last day of
3-46 the special event, or on an earlier date if each political
3-47 subdivision within a host community certifies to the comptroller
3-48 that the political subdivision has paid all obligations payable
3-49 from the special event trust fund, the comptroller shall transfer
3-50 to the general revenue fund any money remaining in the trust fund.

3-51 Sec. 398.008. INFORMATION AND AUDIT. (a) Each political
3-52 subdivision within a host community shall provide the information
3-53 required by the comptroller to enable the comptroller to carry out
3-54 the comptroller's duties under this chapter.

3-55 (b) A political subdivision shall provide to the
3-56 comptroller an audited financial statement in the form and at the
3-57 time required by the comptroller with sufficient information to
3-58 enable the comptroller to verify that all expenditures from a host
3-59 community's special event trust fund were authorized by law.

3-60 Sec. 398.009. NO STATE GUARANTEE OF OBLIGATIONS. This
3-61 chapter may not be construed as creating or requiring a state
3-62 guarantee of obligations incurred by a host community under a
3-63 contract or other agreement relating to hosting or conducting a
3-64 special event in this state.

3-65 SECTION 2. This Act takes effect September 1, 2005.

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