

## **BILL ANALYSIS**

H.B. 3497  
By: Keffer  
Economic Development  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Special Events Trust Fund was established in 2005 to support local governments in recruiting or retaining special events that are being actively recruited for relocation outside of Texas. Because the location of these events in Texas is not expected, tax revenues realized as a result of an event represent unexpected revenue to the state. The program authorizes a portion of those funds to go back to local governments to assist in paying expenses incurred in connection with the event.

H.B. 3497 would add receipts from additional taxes to the calculation of the economic impact for Special Event Trust Fund applicants to better reflect the economic impact to the state. The bill would also increase incentive funding made available to Special Event Trust Fund host communities by basing the calculation on the full amount of expenses the local government incurs or the full amount of the increase in tax receipts. Finally, current applicants would be allowed the opportunity to update economic impact study data to conform to the changes authorized by the bill. Such changes would bring the funding sources and levels applied in the Special Events Trust Fund more in line with those currently authorized in the Other Events Trust Fund, used to support events such as the Super Bowl or the NBA All Star game, as well as with the Motor Racing Events Trust Fund.

### **RULEMAKING AUTHORITY**

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Section 398.004(b)(2), Local Government Code, by adding other taxes to the calculation of additional tax receipts to be estimated in the economic impact study that is required for Special Event Trust Fund applicants. The additional taxes would be receipts from the liquor tax, beer tax, hotel occupancy tax, and the mixed beverage tax.

SECTION 2. Amends Section 398.006(b)(5), Local Government Code, by increasing the amount of funding that can be deposited in the Special Event Trust Fund for the host community. This section would allow the deposited amount to be the lesser of the amount of estimated total expenses or the anticipated increase in tax receipts to the state included in the certified economic impact study.

SECTION 3. States that a host community whose economic impact study was certified by the Comptroller on or after December 1, 2006 and before the effective date of the bill could provide a supplemental economic impact study for consideration and certification by the Comptroller.

SECTION 4. States the effective date of the Act.

### **EFFECTIVE DATE**

Upon passage or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.