

BILL ANALYSIS

C.S.S.B. 1424
By: Brimer
Economic Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Over time, the Texas Legislature has enacted different statutes to attract certain sporting events to the state. One of these statutes, Article 5190.14, Vernon's Texas Civil Statutes (the Other Events Trust Fund), has aided certain Texas cities in securing the Super Bowl, the Major League Baseball and National Basketball Association All Star games, the NCAA Final Four, and the Breeders Cup.

Certain sections of Article 5190.14 limit the use of the Other Events Trust Fund to municipalities with populations of 850,000 or more in Section 1 of the statute and to municipalities with a population of 1,000,000 or more in Section 5A of the statute, both of which exclude the City of Arlington and several other cities in the state from utilizing the statute. The purpose of C.S.S.B. 1424 is to remove these population brackets.

The Texas Comptroller of Public Accounts (Comptroller) reported \$336 million in economic gains to the state from Super Bowl 38 which was held in Houston in 2004. This new economic activity helped create the equivalent of 5,637 new full-time jobs for the year. The Comptroller has estimated \$419 million in economic gains if the City of Arlington were to host a Super Bowl.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Reenacts Subdivision (2), Section 1, Article 5190.14, Vernon's Texas Civil Statutes. Amends the definition of "endorsing municipality" by adding Section "5B" to the definition and removes from the definition "a municipality that has a population of 850,000 or more according to the most recent federal decennial census and that authorizes a bid by a local organizing committee for selection of the municipality as the site of the 2011 Pan American Games or the 2012 Olympic Games."

SECTION 2. Amends Subdivision (2), Subsection (a), Section 5A, Article 5190.14, Vernon's Texas Civil Statutes, to eliminate the population requirement from the definition of an "endorsing municipality."

SECTION 3. Amends Subsection (b), Section 5A, Article 5190.14, Vernon's Texas Civil Statutes, by adding language that requires the Comptroller to determine the incremental increases in certain taxes directly attributable to the preparation for and presentation of the game and related events six months before the date of the game upon the request of an endorsing municipality, local organizing committee, or endorsing county.

SECTION 4. Amends Subsection (j), Section 5A, Article 5190.14, Vernon's Texas Civil Statutes, by adding language that requires the Comptroller to provide an estimate six months before the date of the game upon request of an endorsing municipality, local organizing committee, or endorsing county of the total amount of tax revenue that would be deposited in the Other Events Trust Fund under this section in connection with that game.

SECTION 5. States the effective date for this Act.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original by adding language that requires the Comptroller to determine the incremental increases in certain taxes directly attributable to the preparation for and presentation of the game and related events six months before the date of the game upon request of an endorsing municipality, local organizing committee, or endorsing county whereas the original contains no such provision.

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