

AN ACT

relating to facilitating and supporting efforts of certain municipalities and counties to promote economic development, including hosting certain major sporting or athletic events.

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

SECTION 1. Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended by adding Subsection (e-2) to read as follows:

(e-2) At an election called and held under Subsection (d) of this section, the eligible city may also allow the voters to vote on a ballot proposition that limits the length of time that a sales and use tax may be imposed. An eligible city that imposes a tax for a limited time under this subsection may later extend the period of the tax's imposition or reimpose the tax only if the extension or reimposition is authorized by a majority of the qualified voters of the city voting in an election called and held for that purpose in the same manner as an election held under Section 4A(n) of this Act. Additionally, at an election held under Subsection (d) of this section, the city may also allow the voters to vote on a ballot proposition that limits the use of the sales and use tax to a specific project. A corporation that has been created to perform a specific project as provided by this subsection may retain its corporate existence and perform other projects as may be approved by the voters of the city under an election called and held for that

1 purpose in the same manner as Section 4A(r) of this Act provides for
2 an election held under Section 4A(d) of this Act. Before expending
3 funds to undertake a project, a corporation shall hold a public
4 hearing as otherwise provided by this section.

5 SECTION 2. Subsection (n), Section 4B, Development
6 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
7 Statutes), is amended to read as follows:

8 (n) Before expending funds to undertake a project, a
9 corporation under this section shall hold at least one public
10 hearing on the proposed project. A corporation the creation of
11 which was authorized by an eligible city with a population of less
12 than 20,000 is not required to hold a public hearing under this
13 subsection if the proposed project is defined by Section 2 of this
14 Act.

15 SECTION 3. Subdivision (4), Subsection (a), Section 5B,
16 Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999
17 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to
18 read as follows:

19 (4) "Motor sports racing event" means a specific
20 automobile racing event sanctioned by the Automobile Competition
21 Committee for the United States (ACCUS) and held at a temporary
22 event venue [~~for a particular year referred to as the United States~~
23 ~~Grand Prix, or a specific automobile racing event that is part of~~
24 ~~the Champ Car World Series or the American Le Mans Series)]. The
25 term includes any events and activities held, sponsored, or
26 endorsed by the site selection organization in conjunction with the
27 racing event.~~

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

4 Sec. 5C. SPORTING EVENT TRUST FUND FOR CERTAIN
5 MUNICIPALITIES AND COUNTIES. (a) In this section:

6 (1) "Endorsing county" means a county with a
7 population of 800,000 or more that contains a site selected by a
8 site selection organization for one or more events.

9 (2) "Endorsing municipality" means a municipality
10 with a population of 500,000 or more that contains a site selected
11 by a site selection organization for one or more events.

12 (3) "Event" means a National Collegiate Athletic
13 Association regional tournament or playoff game, a Senior Olympic
14 activity, including a training program or feeder program sanctioned
15 by the National Senior Games Association, or a major sporting or
16 athletic event or a related series of events sanctioned by a site
17 selection organization. The term includes any activities related
18 to or associated with the event.

19 (4) "Event support contract" means a joinder
20 undertaking, a joinder agreement, or a similar contract executed by
21 an endorsing municipality or endorsing county and a site selection
22 organization.

23 (5) "Site selection organization" means the United
24 States Olympic Committee (USOC), United States Youth Soccer
25 Association (USYSA), United States Bowling Congress (USBC),
26 Amateur Softball Association of America (ASA), National Senior
27 Games Association (NSGA), American Youth Football and Cheer (AYF),

1 United States Lacrosse (USL), National Collegiate Athletic
2 Association (NCAA), United States Tennis Association (USTA),
3 Special Olympics, National Association for Stock Car Auto Racing
4 (NASCAR), Breeders' Cup, or another major nationally or
5 internationally recognized sports organization.

6 (b) If a site selection organization, after considering
7 through a highly competitive process one or more sites that are not
8 located in this state, selects a site for an event in this state
9 pursuant to an application by a local organizing committee,
10 endorsing municipality, or endorsing county, not later than three
11 months before the date of the event, the comptroller shall
12 determine for the 30-day period that ends at the end of the day
13 after the date on which the event will be held or, if the event
14 occurs on more than one day, after the last date on which the event
15 will be held, in accordance with procedures developed by the
16 comptroller:

17 (1) the incremental increase in the receipts to this
18 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax
19 Code, and under Title 5, Alcoholic Beverage Code, within the market
20 areas designated under Subsection (c) of this section, that is
21 directly attributable, as determined by the comptroller, to the
22 preparation for and presentation of the event and related
23 activities;

24 (2) the incremental increase in the receipts collected
25 by this state on behalf of each endorsing municipality in the market
26 area from the sales and use tax imposed by each endorsing
27 municipality under Section 321.101(a), Tax Code, and the mixed

1 beverage tax revenue to be received by each endorsing municipality
2 under Section 183.051(b), Tax Code, that is directly attributable,
3 as determined by the comptroller, to the preparation for and
4 presentation of the event and related activities;

5 (3) the incremental increase in the receipts collected
6 by this state on behalf of each endorsing county in the market area
7 from the sales and use tax imposed by each endorsing county under
8 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to
9 be received by each endorsing county under Section 183.051(b), Tax
10 Code, that is directly attributable, as determined by the
11 comptroller, to the preparation for and presentation of the event
12 and related activities;

13 (4) the incremental increase in the receipts collected
14 by each endorsing municipality in the market area from the hotel
15 occupancy tax imposed under Chapter 351, Tax Code, that is directly
16 attributable, as determined by the comptroller, to the preparation
17 for and presentation of the event and related activities; and

18 (5) the incremental increase in the receipts collected
19 by each endorsing county in the market area from the hotel occupancy
20 tax imposed under Chapter 352, Tax Code, that is directly
21 attributable, as determined by the comptroller, to the preparation
22 for and presentation of the event and related activities.

23 (c) For the purposes of Subsection (b)(1) of this section,
24 the comptroller shall designate as a market area for the event each
25 area in which the comptroller determines there is a reasonable
26 likelihood of measurable economic impact directly attributable to
27 the preparation for and presentation of the event and related

1 activities, including areas likely to provide venues,
2 accommodations, and services in connection with the event based on
3 the proposal provided by the local organizing committee to the
4 comptroller. The comptroller shall determine the geographic
5 boundaries of each market area. An endorsing municipality or
6 endorsing county that has been selected as the site for the event
7 must be included in a market area for the event.

8 (d) Each endorsing municipality or endorsing county shall
9 remit to the comptroller and the comptroller shall deposit into a
10 trust fund created by the comptroller and designated as the
11 sporting events trust fund the amount of the municipality's or
12 county's hotel occupancy tax revenue determined under Subsection
13 (b)(4) or (5) of this section, less any amount of the revenue that
14 the municipality or county determines is necessary to meet the
15 obligations of the municipality or county. The comptroller shall
16 retain the amount of sales and use tax revenue and mixed beverage
17 tax revenue determined under Subsection (b)(2) or (3) of this
18 section from the amounts otherwise required to be sent to the
19 municipality under Sections 321.502 and 183.051(b), Tax Code, or to
20 the county under Sections 323.502 and 183.051(b), Tax Code, and
21 deposit into the trust fund the tax revenues, less any amount of the
22 revenue that the municipality or county determines is necessary to
23 meet the obligations of the municipality or county. The
24 comptroller shall begin retaining and depositing the local tax
25 revenues with the first distribution of that tax revenue that
26 occurs after the first day of the period described by Subsection (b)
27 of this section and shall discontinue retaining the local tax

1 revenues under this subsection when the amount of the applicable
2 tax revenue determined under Subsection (b)(2) or (3) of this
3 section has been retained. The sporting events trust fund is
4 established outside the state treasury and is held in trust by the
5 comptroller for administration of this section. Money in the trust
6 fund may be disbursed by the comptroller without appropriation only
7 as provided by this section.

8 (e) In addition to the tax revenue deposited in the sporting
9 events trust fund under Subsection (d) of this section, an
10 endorsing municipality or endorsing county may guarantee its
11 obligations under an event support contract and this section by
12 pledging surcharges from user fees, including parking or ticket
13 fees, charged in connection with the event.

14 (f) The comptroller shall deposit into the sporting events
15 trust fund a portion of the state tax revenue determined under
16 Subsection (b)(1) of this section in an amount equal to 6.25 times
17 the amount of the local sales and use tax revenue and mixed beverage
18 tax revenue retained and the hotel occupancy tax revenue remitted
19 by an endorsing municipality or endorsing county under Subsection
20 (d) of this section.

21 (g) To meet its obligations under an event support contract
22 to improve, construct, renovate, or acquire facilities or to
23 acquire equipment, an endorsing municipality by ordinance or an
24 endorsing county by order may authorize the issuance of notes. An
25 endorsing municipality or endorsing county may provide that the
26 notes be paid from and secured by amounts on deposit or amounts to
27 be deposited into the sporting events trust fund or surcharges from

1 user fees, including parking or ticket fees, charged in connection
2 with the event. Any note issued must mature not later than seven
3 years from its date of issuance.

4 (h) The money in the sporting events trust fund may be used
5 to pay the principal of and interest on notes issued by an endorsing
6 municipality or endorsing county under Subsection (g) of this
7 section and to fulfill obligations of this state or an endorsing
8 municipality or endorsing county to a site selection organization
9 under an event support contract, which obligations may include the
10 payment of costs relating to the preparations necessary or
11 desirable for the conduct of the event and the payment of costs of
12 conducting the event, including improvements or renovations to
13 existing facilities or other facilities and costs of acquisition or
14 construction of new facilities or other facilities.

15 (i) A local organizing committee, endorsing municipality,
16 or endorsing county shall provide information required by the
17 comptroller to enable the comptroller to fulfill the comptroller's
18 duties under this section, including annual audited statements of
19 any financial records required by a site selection organization and
20 data obtained by the local organizing committee, an endorsing
21 municipality, or an endorsing county relating to attendance at the
22 event and to the economic impact of the event. A local organizing
23 committee, endorsing municipality, or endorsing county must
24 provide an annual audited financial statement required by the
25 comptroller, if any, not later than the end of the fourth month
26 after the date the period covered by the financial statement ends.

27 (j) The comptroller shall provide an estimate not later than

1 three months before the date of an event of the total amount of tax
2 revenue that would be deposited in the sporting events trust fund
3 under this section in connection with that event, if the event were
4 to be held in this state at a site selected pursuant to an
5 application by a local organizing committee, endorsing
6 municipality, or endorsing county. The comptroller shall provide
7 the estimate on request to a local organizing committee, endorsing
8 municipality, or endorsing county. A local organizing committee,
9 endorsing municipality, or endorsing county may submit the
10 comptroller's estimate to a site selection organization.

11 (k) The comptroller may make a disbursement from the
12 sporting events trust fund on the prior approval of each
13 contributing endorsing municipality or endorsing county for a
14 purpose for which an endorsing municipality or endorsing county or
15 this state is obligated under an event support contract. A
16 disbursement may not be made from the trust fund that the
17 comptroller determines would be used for the purpose of soliciting
18 the relocation of a professional sports franchise located in this
19 state.

20 (l) If a disbursement is made from the sporting events trust
21 fund under Subsection (k) of this section, the obligation shall be
22 satisfied proportionately from the state and local revenue in the
23 trust fund.

24 (m) On payment of all state, municipal, or county
25 obligations under an event support contract related to the location
26 of any particular event in this state, the comptroller shall remit
27 to each endorsing entity, in proportion to the amount contributed

1 by the entity, any money remaining in the sporting events trust
2 fund.

3 (n) This section may not be construed as creating or
4 requiring a state guarantee of obligations imposed on this state or
5 an endorsing municipality or endorsing county under an event
6 support contract or other agreement relating to hosting one or more
7 events in this state.

8 (o) The comptroller may not undertake any of the
9 responsibilities or duties set forth in this section unless a
10 request is submitted by the municipality or the county in which the
11 event will be located. The request must be accompanied by
12 documentation from a site selection organization selecting the site
13 for the event.

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

17 (a) The department shall review requests from a local
18 organizing committee, endorsing municipality, or endorsing county
19 that the department, on behalf of the state, enter into a games
20 support contract that is required by a site selection organization
21 in connection with the committee's, municipality's, or county's bid
22 to host any of the games. This section does not affect or apply to
23 an event support contract under Section 5A, ~~[or Section]~~ 5B, or 5C
24 of this Act to which the department is not a party.

25 SECTION 6. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

1 Act does not receive the vote necessary for immediate effect, this
2 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1523 passed the Senate on May 1, 2007, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 25, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1523 passed the House, with amendments, on May 23, 2007, by the following vote: Yeas 139, Nays 7, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor