

By: Wentworth

S.B. No. 1523

Substitute the following for S.B. No. 1523:

By: Morrison

C.S.S.B. No. 1523

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

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

(4) "Event support contract" means a joinder

1 undertaking, a joinder agreement, or a similar contract executed by
2 an endorsing municipality or endorsing county and a site selection
3 organization.

4 (5) "Site selection organization" means the United
5 States Olympic Committee (USOC), United States Youth Soccer
6 Association (USYSA), United States Bowling Congress (USBC),
7 Amateur Softball Association of America (ASA), National Senior
8 Games Association (NSGA), American Youth Football and Cheer (AYF),
9 United States Lacrosse (USL), National Collegiate Athletic
10 Association (NCAA), United States Tennis Association (USTA),
11 Special Olympics, National Association for Stock Car Auto Racing
12 (NASCAR), Breeders' Cup, or another major nationally or
13 internationally recognized sports organization.

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

25 (1) the incremental increase in the receipts to this
26 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax
27 Code, and under Title 5, Alcoholic Beverage Code, within the market

1 areas designated under Subsection (c) of this section, that is
2 directly attributable, as determined by the comptroller, to the
3 preparation for and presentation of the event and related
4 activities;

5 (2) the incremental increase in the receipts collected
6 by this state on behalf of each endorsing municipality in the market
7 area from the sales and use tax imposed by each endorsing
8 municipality under Section 321.101(a), Tax Code, and the mixed
9 beverage tax revenue to be received by each endorsing municipality
10 under Section 183.051(b), Tax Code, that is directly attributable,
11 as determined by the comptroller, to the preparation for and
12 presentation of the event and related activities;

13 (3) the incremental increase in the receipts collected
14 by this state on behalf of each endorsing county in the market area
15 from the sales and use tax imposed by each endorsing county under
16 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to
17 be received by each endorsing county under Section 183.051(b), Tax
18 Code, that is directly attributable, as determined by the
19 comptroller, to the preparation for and presentation of the event
20 and related activities;

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

26 (5) the incremental increase in the receipts collected
27 by each endorsing county in the market area from the hotel occupancy

1 tax imposed under Chapter 352, Tax Code, that is directly
2 attributable, as determined by the comptroller, to the preparation
3 for and presentation of the event and related activities.

4 (c) For the purposes of Subsection (b)(1) of this section,
5 the comptroller shall designate as a market area for the event each
6 area in which the comptroller determines there is a reasonable
7 likelihood of measurable economic impact directly attributable to
8 the preparation for and presentation of the event and related
9 activities, including areas likely to provide venues,
10 accommodations, and services in connection with the event based on
11 the proposal provided by the local organizing committee to the
12 comptroller. The comptroller shall determine the geographic
13 boundaries of each market area. An endorsing municipality or
14 endorsing county that has been selected as the site for the event
15 must be included in a market area for the event.

16 (d) Each endorsing municipality or endorsing county shall
17 remit to the comptroller and the comptroller shall deposit into a
18 trust fund created by the comptroller and designated as the
19 sporting events trust fund the amount of the municipality's or
20 county's hotel occupancy tax revenue determined under Subsection
21 (b)(4) or (5) of this section, less any amount of the revenue that
22 the municipality or county determines is necessary to meet the
23 obligations of the municipality or county. The comptroller shall
24 retain the amount of sales and use tax revenue and mixed beverage
25 tax revenue determined under Subsection (b)(2) or (3) of this
26 section from the amounts otherwise required to be sent to the
27 municipality under Sections 321.502 and 183.051(b), Tax Code, or to

1 the county under Sections 323.502 and 183.051(b), Tax Code, and
2 deposit into the trust fund the tax revenues, less any amount of the
3 revenue that the municipality or county determines is necessary to
4 meet the obligations of the municipality or county. The
5 comptroller shall begin retaining and depositing the local tax
6 revenues with the first distribution of that tax revenue that
7 occurs after the first day of the period described by Subsection (b)
8 of this section and shall discontinue retaining the local tax
9 revenues under this subsection when the amount of the applicable
10 tax revenue determined under Subsection (b)(2) or (3) of this
11 section has been retained. The sporting events trust fund is
12 established outside the state treasury and is held in trust by the
13 comptroller for administration of this section. Money in the trust
14 fund may be disbursed by the comptroller without appropriation only
15 as provided by this section.

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

22 (f) The comptroller shall deposit into the sporting events
23 trust fund a portion of the state tax revenue determined under
24 Subsection (b)(1) of this section in an amount equal to 6.25 times
25 the amount of the local sales and use tax revenue and mixed beverage
26 tax revenue retained and the hotel occupancy tax revenue remitted
27 by an endorsing municipality or endorsing county under Subsection

1 (d) of this section.

2 (g) To meet its obligations under an event support contract
3 to improve, construct, renovate, or acquire facilities or to
4 acquire equipment, an endorsing municipality by ordinance or an
5 endorsing county by order may authorize the issuance of notes. An
6 endorsing municipality or endorsing county may provide that the
7 notes be paid from and secured by amounts on deposit or amounts to
8 be deposited into the sporting events trust fund or surcharges from
9 user fees, including parking or ticket fees, charged in connection
10 with the event. Any note issued must mature not later than seven
11 years from its date of issuance.

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

23 (i) A local organizing committee, endorsing municipality,
24 or endorsing county shall provide information required by the
25 comptroller to enable the comptroller to fulfill the comptroller's
26 duties under this section, including annual audited statements of
27 any financial records required by a site selection organization and

1 data obtained by the local organizing committee, an endorsing
2 municipality, or an endorsing county relating to attendance at the
3 event and to the economic impact of the event. A local organizing
4 committee, endorsing municipality, or endorsing county must
5 provide an annual audited financial statement required by the
6 comptroller, if any, not later than the end of the fourth month
7 after the date the period covered by the financial statement ends.

8 (j) The comptroller shall provide an estimate not later than
9 three months before the date of an event of the total amount of tax
10 revenue that would be deposited in the sporting events trust fund
11 under this section in connection with that event, if the event were
12 to be held in this state at a site selected pursuant to an
13 application by a local organizing committee, endorsing
14 municipality, or endorsing county. The comptroller shall provide
15 the estimate on request to a local organizing committee, endorsing
16 municipality, or endorsing county. A local organizing committee,
17 endorsing municipality, or endorsing county may submit the
18 comptroller's estimate to a site selection organization.

19 (k) The comptroller may make a disbursement from the
20 sporting events trust fund on the prior approval of each
21 contributing endorsing municipality or endorsing county for a
22 purpose for which an endorsing municipality or endorsing county or
23 this state is obligated under an event support contract. A
24 disbursement may not be made from the trust fund that the
25 comptroller determines would be used for the purpose of soliciting
26 the relocation of a professional sports franchise located in this
27 state.

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

5 (m) On payment of all state, municipal, or county
6 obligations under an event support contract related to the location
7 of any particular event in this state, the comptroller shall remit
8 to each endorsing entity, in proportion to the amount contributed
9 by the entity, any money remaining in the sporting events trust
10 fund.

11 (n) This section may not be construed as creating or
12 requiring a state guarantee of obligations imposed on this state or
13 an endorsing municipality or endorsing county under an event
14 support contract or other agreement relating to hosting one or more
15 events in this state.

16 (o) The comptroller may not undertake any of the
17 responsibilities or duties set forth in this section unless a
18 request is submitted by the municipality or the county in which the
19 event will be located. The request must be accompanied by
20 documentation from a site selection organization selecting the site
21 for the event.

22 SECTION 2. Subsection (a), Section 7, Chapter 1507, Acts of
23 the 76th Legislature, Regular Session, 1999 (Article 5190.14,
24 Vernon's Texas Civil Statutes), is amended to read as follows:

25 (a) The department shall review requests from a local
26 organizing committee, endorsing municipality, or endorsing county
27 that the department, on behalf of the state, enter into a games

1 support contract that is required by a site selection organization
2 in connection with the committee's, municipality's, or county's bid
3 to host any of the games. This section does not affect or apply to
4 an event support contract under Section 5A, ~~[or Section]~~ 5B, or 5C
5 of this Act to which the department is not a party.

6 SECTION 3. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2007.