

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 3, 2007**

**TO:** Honorable Joe Deshotel, Chair, House Committee on Economic Development

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: SB1424** by Brimer (Relating to the municipalities authorized to use the other events trust fund to attract certain sporting events. ), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Article 5190.14, Vernon's Texas Civil Statutes, relating to the municipalities authorized to use the other events trust fund to attract certain sporting events.

The bill would remove the requirement that an endorsing municipality has a population of 850,000 or more for an event covered by the U.S Olympic Committee, the Pan American Games, or by events covered under the Other Events Trust Fund or the Motor Sports and Racing Trust Fund.

The bill would remove the requirement that an endorsing municipality for events under the Other Events Trust Fund have a population of one million or more.

Under current law, the Comptroller of Public Accounts is required to provide an estimate of the total amount of tax revenue that would be deposited in the Other Events Trust Fund, and an estimate of incremental increases in receipts, directly attributable to the preparation for and presentation of the game and related events no later than three months before the date of the game. The incremental increases estimate includes selected state tax receipts within the marketable area as determined by the Comptroller, as well as county and municipal tax revenues (as applicable) from the local sales and use, hotel occupancy, and mixed beverage taxes . However, under the provisions of the bill, the Comptroller would be required to provide the estimates no later than six months before the date of the game if the estimate was requested by the local organizing committee, endorsing municipality, or endorsing county.

The Comptroller reports that the bill would remove certain minimum population requirements for municipalities with respect to events subject to Olympic Games, Pan American Games, Other Events, and Racing and Motor Sports Trust Fund legislation.

While calculation of the maximum required state contribution to these trust funds would be affected by contributions by sponsoring municipalities, it is not possible to estimate which municipalities would choose to participate and for which events, so the impact on the required contribution by the state to these trust funds cannot be estimated.

The bill would take effect immediately upon enactment if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

**Local Government Impact**

It is not known which municipalities that meet the population requirement would be selected by an appropriate site selection organization or would host an allowed event; therefore, the local fiscal effects of this bill cannot be estimated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, JRO, SD, EB