

By: Watson

S.B. No. 1515

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a major events trust fund and an events trust fund for
3 sporting and non-sporting events.

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

5 SECTION 1. Section 1, Chapter 1507 (S.B. 456), Acts of the
6 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's
7 Texas Civil Statutes), is amended by amending Subdivisions (1),
8 (1-a), (2), (5), (6), (7), and (8) and adding Subdivision (2-a) to
9 read as follows:

10 (1) "Department" means the ~~[Texas Department of]~~
11 Economic Development and Tourism Division, Office of the Governor
12 ~~[or its successor]~~.

13 (1-a) "Endorsing county" means an endorsing county for
14 purposes of Section 5, ~~[or]~~ 5A, 5B, or 5C of this Act.

15 (2) "Endorsing municipality" means an endorsing
16 municipality for purposes of Section 4, 5, 5A, ~~[or]~~ 5B, or 5C of
17 this Act.

18 (2-a) "Event" means a game or event as defined by
19 Section 5A, 5B, or 5C of this Act.

20 (5) "Joinder agreement" means an agreement entered
21 into by:

22 (A) the department on behalf of this state and a
23 site selection organization setting out representations and
24 assurances by the state in connection with the selection of a site

1 in this state for the location of a game or event [~~any of the games~~];
2 or

3 (B) an endorsing municipality, an endorsing
4 county, or more than one endorsing municipality or county acting
5 collectively, and a site selection organization setting out
6 representations and assurances by each endorsing municipality or
7 county in connection with the selection of a site in this state for
8 the location of a game or event [~~any of the games~~].

9 (6) "Joinder undertaking" means an agreement entered
10 into by:

11 (A) the department on behalf of this state and a
12 site selection organization that the state will execute a joinder
13 agreement if [~~in the event that~~] the site selection organization
14 selects a site in this state for a game or event [~~any of the games~~];
15 or

16 (B) an endorsing municipality, an endorsing
17 county, or more than one endorsing municipality or county acting
18 collectively, and a site selection organization that each endorsing
19 municipality or county will execute a joinder agreement if [~~in the
20 event that~~] the site selection organization selects a site in this
21 state for a game or event [~~any of the games~~].

22 (7) "Local organizing committee" means a nonprofit
23 corporation or its successor in interest that:

24 (A) has been authorized by an endorsing
25 municipality, endorsing county, or more than one endorsing
26 municipality or county acting collectively to pursue an application
27 and bid on the applicant's behalf to a site selection organization

1 for selection as the site of a game or event [~~one or more games~~]; or

2 (B) with the authorization of an endorsing
3 municipality, endorsing county, or more than [~~that~~] one endorsing
4 municipality or county acting collectively, has executed an
5 agreement with a site selection organization regarding a bid to
6 host a game or event [~~one or more games~~].

7 (8) "Site selection organization" means a site
8 selection organization as defined by Sections 5, 5A, and 5C of this
9 Act [~~the United States Olympic Committee, the International Olympic~~
10 ~~Committee, the Pan American Sports Organization, the National~~
11 ~~Football League, the National Collegiate Athletic Association, the~~
12 ~~National Basketball Association, the National Hockey League, Major~~
13 ~~League Baseball, Federation Internationale de Football Association~~
14 ~~(FIFA), the International World Games Association, the Automobile~~
15 ~~Competition Committee for the United States (ACCUS) affiliated with~~
16 ~~the Federation Internationale de l'Automobile, the Champ Car~~
17 ~~organization, or the American Le Mans Series organization]~~.

18 SECTION 2. Sections 2 and 3, Chapter 1507 (S.B. 456), Acts
19 of the 76th Legislature, Regular Session, 1999 (Article 5190.14,
20 Vernon's Texas Civil Statutes), are amended to read as follows:

21 Sec. 2. PURPOSE. The purpose of this Act is to provide
22 assurances required by a site selection organization sponsoring a
23 [~~one or more major~~] sporting or non-sporting game or event
24 [~~athletic events~~] and to provide financing for the costs of:

25 (1) applying or bidding for selection as the site of a
26 game [~~major sporting~~] or event [~~athletic events~~] in this state;

27 (2) making the preparations necessary and desirable

1 for the conduct of a game [~~major sporting~~] or event [~~athletic~~
2 ~~events~~] in this state, including the construction or renovation of
3 facilities to the extent authorized by this Act; and

4 (3) conducting a game [~~major sporting~~] or event
5 [~~athletic events~~] in this state.

6 Sec. 3. LEGISLATIVE FINDINGS. The conduct in this state of
7 one or more games [~~major sporting~~] or [~~athletic~~] events will:

8 (1) provide invaluable public visibility throughout
9 the nation or world for this state and the communities where the
10 games [~~major sporting~~] or [~~athletic~~] events are held;

11 (2) encourage and provide major economic benefits to
12 the communities where the games [~~major sporting~~] or [~~athletic~~]
13 events are held and to the entire state; and

14 (3) provide opportunities for the creation of jobs by
15 local and Texas businesses that pay a living wage.

16 SECTION 3. The heading to Section 5A, Chapter 1507 (S.B.
17 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
18 5190.14, Vernon's Texas Civil Statutes), is amended to read as
19 follows:

20 Sec. 5A. PAYMENT OF STATE AND MUNICIPAL OR COUNTY
21 OBLIGATIONS; MAJOR [~~OTHER~~] EVENTS TRUST FUND.

22 SECTION 4. Section 5A, Chapter 1507 (S.B. 456), Acts of the
23 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's
24 Texas Civil Statutes), is amended by amending Subsections (a)
25 through (m), (o), and (p) and adding Subsections (a-1), (b-1),
26 (d-1), (r), (s), (t), (u), and (v) to read as follows:

27 (a) In this section:

1 (1) "Endorsing county" means:

2 (A) a county that contains a site selected by a
3 site selection organization for one or more events; or

4 (B) a county that:

5 (i) does not contain a site selected by a
6 site selection organization for an event;

7 (ii) is included in the market area for the
8 event as designated by the comptroller; and

9 (iii) is a party to an event support
10 contract [~~games~~].

11 (2) "Endorsing municipality" means:

12 (A) a municipality that contains a site selected
13 by a site selection organization for one or more events; or

14 (B) a municipality that:

15 (i) does not contain a site selected by a
16 site selection organization for an event;

17 (ii) is included in the market area for the
18 event as designated by the comptroller; and

19 (iii) is a party to an event support
20 contract [~~games~~].

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

25 (4) "Event" [~~"Game"~~] means a Super Bowl, a National
26 Collegiate Athletic Association Final Four tournament game, the
27 National Basketball Association All-Star Game, the National Hockey

1 League All-Star Game, the Major League Baseball All-Star Game, a
2 National Collegiate Athletic Association Bowl Championship Series
3 game, a World Cup Soccer game, the World Games, a national
4 collegiate championship of an amateur sport sanctioned by the
5 national governing body of the sport that is recognized by the
6 United States Olympic Committee, ~~or~~ an Olympic activity,
7 including a Junior or Senior activity, training program, or feeder
8 program sanctioned by the United States Olympic Committee's
9 Community Olympic Development Program, or a Formula One automobile
10 race. The term includes any ~~events and~~ activities related to or
11 associated with an event ~~[the games]~~.

12 (5) "Site selection organization" means the National
13 Football League, the National Collegiate Athletic Association, the
14 National Basketball Association, the National Hockey League, Major
15 League Baseball, the Federation Internationale de Football
16 Association (FIFA), the International World Games Association, the
17 United States Olympic Committee~~]~~ or the national governing body
18 of a sport that is recognized ~~as such~~ by the United States Olympic
19 Committee, Formula One Management Limited, or the Federation
20 Internationale de l'Automobile.

21 (a-1) An event included in Subsection (a)(4) of this section
22 is eligible for funding under this section only if:

23 (1) a site selection organization selects a site
24 located in this state for the event after considering, through a
25 highly competitive selection process, one or more sites that are
26 not located in this state;

27 (2) a site selection organization selects a site in

1 this state as the sole site for the event; and

2 (3) the event is held not more than one time in any
3 year.

4 (b) If a site selection organization selects a site for an
5 event [~~a game~~] in this state pursuant to an application by a local
6 organizing committee, endorsing municipality, or endorsing county,
7 [~~not later than three months before the date of the game or six~~
8 ~~months before the date of the game~~] upon request of a local
9 organizing committee, endorsing municipality, or endorsing county,
10 the comptroller shall determine for a one-year [~~the two-week~~]
11 period that begins two months before [~~ends at the end of the day~~
12 ~~after~~] the date on which the event [~~game~~] will begin [~~be held~~], in
13 accordance with procedures developed by the comptroller:

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

21 (2) the incremental increase in the receipts collected
22 by the state on behalf of each endorsing municipality in the market
23 area from the sales and use tax imposed by each endorsing
24 municipality under Section 321.101(a), Tax Code, and the mixed
25 beverage tax revenue to be received by each endorsing municipality
26 under Section 183.051(b), Tax Code, that is directly attributable,
27 as determined by the comptroller, to the preparation for and

1 presentation of the event [~~game~~] and related activities [~~events~~];

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

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

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

22 (b-1) A request for a determination of the amount of
23 incremental increase in tax receipts specified by Subsection (b) of
24 this section must be submitted to the comptroller not earlier than
25 one year and not later than three months before the date the event
26 begins. The comptroller shall base the determination specified by
27 Subsection (b) of this section on information submitted by the

1 local organizing committee, endorsing municipality, or endorsing
2 county, and must make the determination not later than the 30th day
3 after the date the comptroller receives the request and related
4 information.

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

18 (d) Each endorsing municipality or endorsing county shall
19 remit to the comptroller and the comptroller shall deposit into a
20 trust fund created by the comptroller and designated as the Major
21 [~~Other~~] Events trust fund the amount of the municipality's or
22 county's hotel occupancy tax revenue determined under Subsection
23 (b)(4) or (b)(5) of this section, less any amount of the revenue
24 that the municipality or county determines is necessary to meet the
25 obligations of the municipality or county. The comptroller shall
26 retain the amount of sales and use tax revenue and mixed beverage
27 tax revenue determined under Subsection (b)(2) or (b)(3) of this

1 section from the amounts otherwise required to be sent to the
2 municipality under Sections 321.502 and 183.051(b), Tax Code, or to
3 the county under Sections 323.502 and 183.051(b), Tax Code, and
4 deposit into the trust fund the tax revenues, less any amount of the
5 revenue that the municipality or county determines is necessary to
6 meet the obligations of the municipality or county. The
7 comptroller shall begin retaining and depositing the local tax
8 revenues with the first distribution of that tax revenue that
9 occurs after the first day of the one-year [~~two-week~~] period
10 described by Subsection (b) of this section or at a time otherwise
11 determined to be practicable by the comptroller and shall
12 discontinue retaining the local tax revenues under this subsection
13 when the amount of the applicable tax revenue determined under
14 Subsection (b)(2) or (b)(3) of this section has been retained. The
15 Major [~~Other~~] Events trust fund is established outside the state
16 treasury and is held in trust by the comptroller for administration
17 of this Act. Money in the trust fund may be disbursed by the
18 comptroller without appropriation only as provided by this section.

19 (d-1) Not later than the 90th day after the last day of an
20 event and in lieu of the local tax revenues remitted to or retained
21 by the comptroller under Subsection (d) of this section, a
22 municipality or county may remit to the comptroller for deposit in
23 the Major Events trust fund other local funds in an amount equal to
24 the total amount of local tax revenue determined under Subsections
25 (b)(2) through (5) of this section. The amount deposited by the
26 comptroller into the Major Events trust fund under this subsection
27 is subject to Subsection (f) of this section.

1 (e) In addition to the tax revenue deposited in the Major
2 ~~[Other]~~ Events trust fund under Subsection (d) of this section, an
3 endorsing municipality or endorsing county may guarantee its
4 obligations under an event ~~[a game]~~ support contract and this
5 section by pledging surcharges from user fees, including parking or
6 ticket fees, charged in connection with the event ~~[game]~~. An
7 endorsing municipality or endorsing county may collect and remit to
8 the comptroller surcharges and user fees attributable to the event
9 for deposit into the Major Events trust fund.

10 (f) The comptroller shall deposit into the Major Events
11 trust fund a portion of the state tax revenue not to exceed the
12 amount determined under Subsection (b)(1) of this section in an
13 amount equal to 6.25 times the amount of the local revenue retained
14 or remitted under this section, including:

- 15 (1) local sales and use tax revenue;
16 (2) [and] mixed beverage tax revenue;
17 (3) [retained and the] hotel occupancy tax revenue;

18 and

19 (4) surcharge and user fee revenue ~~[remitted by an~~
20 ~~endorsing municipality or endorsing county under Subsection (d) of~~
21 ~~this section]~~.

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

1 deposit or amounts to be deposited into the Major [~~Other~~] Events
2 trust fund or surcharges from user fees, including parking or
3 ticket fees, charged in connection with the event [~~game~~]. Any note
4 issued must mature not later than seven years from its date of
5 issuance.

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

18 (i) A local organizing committee, endorsing municipality,
19 or endorsing county shall provide information required by the
20 comptroller to enable the comptroller to fulfill the comptroller's
21 duties under this section, including annual audited statements of
22 any financial records required by a site selection organization and
23 data obtained by the local organizing committee, an endorsing
24 municipality, or an endorsing county relating to attendance at the
25 event [~~game~~] and to the economic impact of the event [~~game~~]. A
26 local organizing committee, endorsing municipality, or endorsing
27 county must provide an annual audited financial statement required

1 by the comptroller, if any, not later than the end of the fourth
2 month after the date the period covered by the financial statement
3 ends. After the conclusion of an event and on the comptroller's
4 request, a local organizing committee, endorsing municipality, or
5 endorsing county must provide information relating to the event,
6 such as attendance figures, financial information, or other
7 information that the comptroller considers necessary.

8 (j) Not ~~[The comptroller shall provide an estimate not]~~
9 later than the 30th day after the date a ~~[three months before the~~
10 ~~date of a game or six months before the date of the game upon]~~
11 request of a local organizing committee, endorsing municipality, or
12 endorsing county is submitted to the comptroller for an event that
13 will occur not earlier than 12 months or later than three months
14 before the date the request is submitted, the comptroller shall
15 provide an estimate of the total amount of tax revenue that would be
16 deposited in the Major ~~[Other]~~ Events trust fund under this section
17 in connection with that event ~~[game]~~, if the event ~~[game]~~ were to be
18 held in this state at a site selected pursuant to an application by
19 a local organizing committee, endorsing municipality, or endorsing
20 county. ~~[The comptroller shall provide the estimate on request to a~~
21 ~~local organizing committee, endorsing municipality, or endorsing~~
22 ~~county.]~~ A local organizing committee, endorsing municipality, or
23 endorsing county may submit the comptroller's estimate to a site
24 selection organization.

25 (k) The comptroller may make a disbursement from the Major
26 ~~[Other]~~ Events trust fund on the prior approval of each
27 contributing endorsing municipality or endorsing county for a

1 purpose for which an endorsing municipality or endorsing county or
2 the state is obligated under a game support contract or event
3 support contract. A disbursement may not be made from the trust
4 fund that the comptroller determines would be used for the purpose
5 of soliciting the relocation of a professional sports franchise
6 located in this state.

7 (l) If a disbursement is made from the Major [~~Other~~] Events
8 trust fund under Subsection (k), the obligation shall be satisfied
9 proportionately from the state and local revenue in the trust fund.

10 (m) On payment of all state, municipal, or county
11 obligations under a game support contract or event support contract
12 related to the location of any particular event [~~game~~] in the state,
13 the comptroller shall remit to each endorsing entity, in proportion
14 to the amount contributed by the entity, any money remaining in the
15 trust fund.

16 (o) This section may not be construed as creating or
17 requiring a state guarantee of obligations imposed on the state or
18 an endorsing municipality or endorsing county under an event [~~a~~
19 ~~game~~] support contract or other agreement relating to hosting one
20 or more events [~~games~~] in this state.

21 (p) The comptroller may not undertake any of the
22 responsibilities or duties set forth in this section unless a
23 request is submitted by the municipality or [~~and~~] the county in
24 which the event [~~game~~] will be located. The request must be
25 accompanied by documentation from a site selection organization
26 selecting the site for the event [~~game~~].

27 (r) This subsection applies only to an event that the

1 comptroller determines under Subsection (b) of this section will
2 generate at least \$15 million in state and local sales tax revenue.
3 The comptroller and one or more endorsing municipalities or
4 endorsing counties may enter into an agreement to provide that an
5 amount equal to the amount of local tax revenue determined by the
6 comptroller under Subsections (b)(2) through (5) of this section
7 shall be remitted to the comptroller by one or more endorsing
8 municipalities or endorsing counties and shall be deposited by the
9 comptroller into the Major Events trust fund before the event. In
10 the 12 months immediately preceding the event, the comptroller may
11 deposit into the trust fund an amount equal to the amount the state
12 is required to deposit under Subsection (f) of this section from any
13 amounts appropriated by the legislature for the purposes of this
14 subsection. The comptroller may make disbursements from the trust
15 fund in amounts that do not exceed the amounts deposited under this
16 subsection in accordance with the agreement to pay costs relating
17 to attracting and securing the event. An agreement under this
18 subsection may provide that, following the last day of an event, the
19 funds eligible for disbursement under Subsection (k) of this
20 section be held in the trust fund and made available to pay the cost
21 of securing the event in future years.

22 (s) The term of an agreement entered into under Subsection
23 (r) of this section may not exceed 10 years and must terminate:

24 (1) on the final termination date provided in the
25 agreement; or

26 (2) if the event covered by the agreement is not held
27 during any 18-month period covered by the agreement.

1 (t) On termination of an agreement entered into under
2 Subsection (r) of this section, the total amount of the state's
3 initial contribution under the agreement must be repaid to the
4 state from funds disbursed under Subsection (k) of this section or
5 from any other source specified in the agreement. An agreement
6 entered into under Subsection (r) of this section must include
7 terms that the comptroller determines are necessary to protect the
8 state's interest, including a provision for a performance bond or
9 other guarantee of repayment if the event is not held in the state
10 after a disbursement has been made.

11 (u) The comptroller shall deposit any amount appropriated
12 by the legislature for the purposes of Subsection (r) of this
13 section into the Major Event trust fund for the limited purpose of
14 paying the costs of attracting and securing an event eligible under
15 that subsection.

16 (v) The comptroller may adopt rules necessary to implement
17 this section.

18 SECTION 5. The heading to Section 5C, Chapter 1507 (S.B.
19 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
20 5190.14, Vernon's Texas Civil Statutes), is amended to read as
21 follows:

22 Sec. 5C. [~~SPORTING~~] EVENT TRUST FUND FOR CERTAIN
23 MUNICIPALITIES AND COUNTIES.

24 SECTION 6. Section 5C, Chapter 1507 (S.B. 456), Acts of the
25 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's
26 Texas Civil Statutes), is amended by amending Subsections (a), (b),
27 and (d) through (m), and by adding Subsections (a-1), (c-1), (d-1),

1 (p), and (q) to read as follows:

2 (a) In this section:

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

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

9 (3) "Event" means an ~~[a National Collegiate Athletic~~
10 ~~Association regional tournament or playoff game, a Senior Olympic~~
11 ~~activity, including a training program or feeder program sanctioned~~
12 ~~by the National Senior Games Association, or a major sporting or~~
13 ~~athletic]~~ event or a related series of events held in this state for
14 which a local organizing committee, endorsing county, or endorsing
15 municipality seeks approval from ~~[sanctioned by]~~ a site selection
16 organization to hold the event at a site in this state. The term
17 includes any activities related to or associated with the event.

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

22 (5) "Site selection organization" means an entity that
23 conducts or considers conducting an eligible event in this state
24 ~~[the United States Olympic Committee (USOC), United States Youth~~
25 ~~Soccer 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 (a-1) An event is eligible for funding under this section
7 only if:

8 (1) a site selection organization selects a site for
9 the event located in this state after considering, through a highly
10 competitive selection process, one or more sites that are not
11 located in this state;

12 (2) a site selection organization selects a site in
13 this state as the sole site for the event; and

14 (3) the event is held not more than one time in any
15 year.

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

27 (1) the incremental increase in the receipts to this

1 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax
2 Code, and under Title 5, Alcoholic Beverage Code, within the market
3 areas designated under Subsection (c) of this section, that is
4 directly attributable, as determined by the comptroller, to the
5 preparation for and presentation of the event and related
6 activities;

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

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

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

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

6 (c-1) The comptroller shall base the determination
7 specified by Subsection (b) of this section on information
8 submitted by the local organizing committee, endorsing
9 municipality, or endorsing county, and must make the determination
10 not later than the 30th day after the date the comptroller receives
11 the information.

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

1 comptroller shall begin retaining and depositing the local tax
2 revenues with the first distribution of that tax revenue that
3 occurs after the first day of the period described by Subsection (b)
4 of this section or at a time otherwise determined to be practicable
5 by the comptroller and shall discontinue retaining the local tax
6 revenues under this subsection when the amount of the applicable
7 tax revenue determined under Subsection (b)(2) or (3) of this
8 section has been retained. The Events [~~sporting events~~] trust fund
9 is established outside the state treasury and is held in trust by
10 the comptroller for administration of this section. Money in the
11 trust fund may be disbursed by the comptroller without
12 appropriation only as provided by this section.

13 (d-1) Not later than the 90th day after the last day of an
14 event and in lieu of the local tax revenues remitted to or retained
15 by the comptroller under Subsection (d) of this section, a
16 municipality or county may remit to the comptroller for deposit in
17 the Events trust fund other local funds in an amount equal to the
18 total amount of local tax revenue determined under Subsections
19 (b)(2) through (5) of this section. The amount deposited by the
20 comptroller into the Events trust fund under this subsection is
21 subject to Subsection (f) of this section.

22 (e) In addition to the tax revenue deposited in the Events
23 [~~sporting events~~] trust fund under Subsection (d) of this section,
24 an endorsing municipality or endorsing county may guarantee its
25 obligations under an event support contract and this section by
26 pledging surcharges from user fees, including parking or ticket
27 fees, charged in connection with the event. An endorsing

1 municipality or endorsing county may collect and remit to the
2 comptroller surcharges and user fees attributable to the event for
3 deposit into the Events trust fund.

4 (f) The comptroller shall deposit into the Events [~~sporting~~
5 ~~events~~] trust fund a portion of the state tax revenue not to exceed
6 the amount determined under Subsection (b)(1) of this section in an
7 amount equal to 6.25 times the amount of the local tax revenue
8 retained or remitted under this section, including:

- 9 (1) local sales and use tax revenue;
10 (2) [~~and~~] mixed beverage tax revenue;
11 (3) [~~retained and the~~] hotel occupancy tax revenue;
12 and

13 (4) surcharge and user fee revenue [~~remitted by an~~
14 ~~endorsing municipality or endorsing county under Subsection (d) of~~
15 ~~this section~~].

16 (g) To meet its obligations under an event support contract
17 to improve, construct, renovate, or acquire facilities or to
18 acquire equipment, an endorsing municipality by ordinance or an
19 endorsing county by order may authorize the issuance of notes. An
20 endorsing municipality or endorsing county may provide that the
21 notes be paid from and secured by amounts on deposit or amounts to
22 be deposited into the Events [~~sporting events~~] trust fund or
23 surcharges from user fees, including parking or ticket fees,
24 charged in connection with the event. Any note issued must mature
25 not later than seven years from its date of issuance.

26 (h) The money in the Events [~~sporting events~~] trust fund may
27 be used to pay the principal of and interest on notes issued by an

1 endorsing municipality or endorsing county under Subsection (g) of
2 this section and to fulfill obligations of this state or an
3 endorsing municipality or endorsing county to a site selection
4 organization under an event support contract, which obligations may
5 include the payment of costs relating to the preparations necessary
6 or desirable for the conduct of the event and the payment of costs
7 of conducting the event, including improvements or renovations to
8 existing facilities or other facilities and costs of acquisition or
9 construction of new facilities or other facilities.

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

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 Events [~~sporting events~~]
3 trust fund under this section in connection with that event, if the
4 event were 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 Events
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 Events [~~sporting~~
21 ~~events~~] trust fund under Subsection (k) of this section, the
22 obligation shall be satisfied proportionately from the state and
23 local revenue in the 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 Events [~~sporting events~~]
2 trust fund.

3 (p) The comptroller may adopt rules necessary to implement
4 this section.

5 (q) In determining the amount of state revenue available
6 under Subsection (b)(1) of this section, the comptroller may
7 consider whether:

8 (1) the event has been held in this state on previous
9 occasions; and

10 (2) changes to the character of the event could affect
11 the incremental increase in receipts collected and remitted to the
12 state by an endorsing county or endorsing municipality under that
13 subsection.

14 SECTION 7. Section 5A(n), Chapter 1507 (S.B. 456), Acts of
15 the 76th Legislature, Regular Session, 1999 (Article 5190.14,
16 Vernon's Texas Civil Statutes), is repealed.

17 SECTION 8. The changes in law made by this Act apply only to
18 applications for participation in the Major Events trust fund or
19 the Events trust fund that are received by the comptroller on or
20 after September 1, 2009. An application for participation in the
21 Other Events trust fund or the sporting events trust fund received
22 before September 1, 2009, is governed by the law as it existed
23 immediately before the effective date of this Act, and that law and
24 the respective funds are continued in effect for that purpose.

25 SECTION 9. This Act takes effect September 1, 2009.