

By: Harper-Brown

H.B. No. 3182

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to changing eligibility requirements, limiting  
3 disbursements for eligible expenses and changing reporting  
4 requirements under the major events trust fund and events trust  
5 fund.

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

7 SECTION 1. Section 5A, Chapter 1507 (S.B. 456), Acts of the  
8 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's  
9 Texas Civil Statutes), is amended by amending Subsections (a-1),  
10 (b-1), (h), (i), (k) and (w) to read as follows:

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

13 (1) a site selection organization selects a site  
14 located in this state for the event after considering, through a  
15 highly competitive selection process, one or more sites that are  
16 not located in this state;

17 (2) a site selection organization selects a site in  
18 this state as:

19 (A) the sole site for the event; or [and]

20 (B) the sole site for the event in a region  
21 composed of this state and one or more adjoining states; and

22 (3) the event is held not more than one time in any  
23 year; and

24 (4) the incremental increase in tax receipts

1 determined under subsection (b) is at least \$1 million.

2 (b-1) A request for a determination of the amount of  
3 incremental increase in tax receipts specified by Subsection (b) of  
4 this section must be submitted to the comptroller not earlier than  
5 one year and not later than 45 days [~~three months~~] before the date  
6 the event begins. 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 request and related information.

12 (h) The funds in the Major Events trust fund may be used to  
13 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 the state or an endorsing  
16 municipality or endorsing county to a site selection organization  
17 under a game support contract or event support contract. Subject to  
18 subsection (k) of this section, the [~~which~~] obligations may  
19 include the payment of costs relating to the preparations strictly  
20 necessary [~~or desirable~~] for the conduct of the event and the  
21 payment of costs of conducting the event, including strictly  
22 necessary improvements or renovations to existing facilities or  
23 other facilities and costs of acquisition or construction of new  
24 facilities or other facilities that are strictly necessary for the  
25 event.

26 (i) A local organizing committee, endorsing municipality,  
27 or endorsing county shall provide information required by the

1 comptroller to enable the comptroller to fulfill the comptroller's  
2 duties under this section, including annual audited statements of  
3 any financial records required by a site selection organization and  
4 data obtained by the local organizing committee, an endorsing  
5 municipality, or an endorsing county relating to attendance at the  
6 event, including estimated attendees from out of state, and to the  
7 economic impact of the event. A local organizing committee,  
8 endorsing municipality, or endorsing county must provide an annual  
9 audited financial statement required by the comptroller, if any,  
10 not later than the end of the fourth month after the date the period  
11 covered by the financial statement ends. After the conclusion of an  
12 event and on the comptroller's request, a local organizing  
13 committee, endorsing municipality, or endorsing county must  
14 provide information relating to the event, such as attendance  
15 figures, including estimated attendees from out of state, financial  
16 information, or other public information held by the local  
17 organizing committee, endorsing municipality, or endorsing county  
18 that the comptroller considers necessary.

19 (k) The comptroller may make a disbursement from the Major  
20 Events trust fund on the prior approval of each contributing  
21 endorsing municipality or endorsing county for a purpose for which  
22 a local organizing committee, an endorsing municipality, or an  
23 endorsing county or the state is obligated under a game support  
24 contract or event support contract. If an obligation is incurred  
25 under a game support contract or event support contract to make a  
26 structural improvement to the site or to add a fixture to the site  
27 for purposes of an event and that improvement or fixture is expected

1 to derive most of its value in subsequent uses of the site for  
2 future events, a disbursement from the trust fund made for purposes  
3 of that obligation is limited to five percent of the cost of the  
4 improvement or fixture and the remainder of the obligation is not  
5 eligible for a disbursement from the trust fund. A disbursement may  
6 not be made from the trust fund that the comptroller determines  
7 would be used for the purpose of soliciting the relocation of a  
8 professional sports franchise located in this state.

9 (w) No [~~Not~~] later than 10 [~~18~~] months after the last day of  
10 an event eligible for disbursements from the Major Events trust  
11 fund for costs associated with the event, the comptroller using  
12 existing resources shall:

13 (1) complete a study in the market area of the event on  
14 the measurable economic impact directly attributable to the  
15 preparation for and presentation of the event and related  
16 activities; [~~and~~]

17 (2) post on the comptroller's Internet website the  
18 results of the study conducted under Subdivision (1) of this  
19 subsection; and

20 (3) not consider a subsequent request to participate  
21 in the major events trust fund program for the same event in the  
22 same endorsing municipality or endorsing county until a post event  
23 study is completed under this subsection for a preceding event.

24 SECTION 2. 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 adding subsections (a-2) and  
27 (r) and amending subsections (h), (i) and (k) to read as follows:

1        (a-2) An endorsing municipality or endorsing county may  
2 only submit one request for participation in the events trust fund  
3 program per calendar year, except for any additional event(s) that:

4        (1) would result in a minimum of \$375,000 in incremental tax  
5 gain; or

6        (2) draw 25,000 or more out state visitors to an event.

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

20        (i) A local organizing committee, endorsing municipality,  
21 or endorsing county shall provide information required by the  
22 comptroller to enable the comptroller to fulfill the comptroller's  
23 duties under this section, including annual audited statements of  
24 any financial records required by a site selection organization and  
25 data obtained by the local organizing committee, an endorsing  
26 municipality, or an endorsing county relating to attendance at the  
27 event, including estimated attendees from out of state, and to the

1 economic impact of the event. A local organizing committee,  
2 endorsing municipality, or endorsing county must provide an annual  
3 audited financial statement required by the comptroller, if any,  
4 not later than the end of the fourth month after the date the period  
5 covered by the financial statement ends. After the conclusion of an  
6 event and on the comptroller's request, a local organizing  
7 committee, endorsing municipality, or endorsing county must  
8 provide information relating to the event, such as attendance  
9 figures, including estimated attendees from out of state, financial  
10 information, or other public information held by the local  
11 organizing committee, endorsing municipality, or endorsing county  
12 that the comptroller considers necessary.

13 (k) The comptroller may make a disbursement from the Events  
14 trust fund on the prior approval of each contributing endorsing  
15 municipality or endorsing county for a purpose for which a local  
16 organizing committee, an endorsing municipality, or an endorsing  
17 county or this state is obligated under an event support contract.  
18 If an obligation is incurred under a game support contract or event  
19 support contract to make a structural improvement to the site or to  
20 add a fixture to the site for purposes of an event and that  
21 improvement or fixture is expected to derive most of its value in  
22 subsequent uses of the site for future events, a disbursement from  
23 the trust fund made for purposes of that obligation is limited to  
24 five percent of the cost of the improvement or fixture and the  
25 remainder of the obligation is not eligible for a disbursement from  
26 the trust fund. A disbursement may not be made from the trust fund  
27 that the comptroller determines would be used for the purpose of

1 soliciting the relocation of a professional sports franchise  
2 located in this state.

3 (r) After an event has concluded, the comptroller shall  
4 compare information submitted to the comptroller under subsection  
5 (i) relating to the actual attendance count at an event to the  
6 projected attendance count used to determine the incremental tax  
7 increase under subsection (b). If the comptroller determines that  
8 actual attendance count is significantly less than the projected  
9 attendance count, the comptroller may proportionately reduce the  
10 total amount that an endorsing municipality or endorsing county may  
11 be eligible to receive in total disbursement distributions from the  
12 trust fund. After the payment of all eligible disbursements, any  
13 excess amounts remaining in the trust fund may be refunded under  
14 subsection (m).

15 SECTION 3. Subsections (r), (s), (t) and (u), Section 5A,  
16 Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular  
17 Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes) are  
18 repealed.

19 SECTION 4 The changes in law made by this Act apply only to a  
20 request submitted to the comptroller by an endorsing municipality  
21 or endorsing county under Sections 5A or 5C, Chapter 1507 (S.B.  
22 456), Acts of the 76th Legislature, Regular Session, 1999 (Article  
23 5190.14, Vernon's Texas Civil Statutes), on or after the effective  
24 date of this Act. A request submitted under Section 5A or 5C before  
25 that date is governed by the law in effect on the date the request is  
26 submitted, and that law is continued in effect for that purpose.

27 SECTION 5. This Act takes effect September 1, 2013.