

By: Watson

S.B. No. 765

A BILL TO BE ENTITLED

AN ACT

relating to the establishment and duties of an event oversight committee for an event eligible to receive funding through a major events trust fund; limiting payments from the fund to reimbursement for attracting unique events to Texas.

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

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

(6) "Event oversight committee" means a committee established by the comptroller under Subsection (a-2) of this section.

SECTION 2. Section 5A, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by amending Subsections (a-1), (b), (b-1), (c), (h), (i), (j), (k), (m), (p), (r), and (w) and adding Subsections (a-2) and (x) to read as follows:

(a-1) An event not listed ~~[included]~~ in Subsection (a)(4) of this section is ineligible ~~[eligible]~~ for funding under this section. A listed event may receive funding under this section only if:

(1) a site selection organization listed in Subsection (a)(5) of this section selects a site located in this state for the

1 event after considering, through a highly competitive selection  
2 process, one or more sites that are not located in this state;

3 (2) a site selection organization listed in Subsection  
4 (a)(5) of this section selects a site in this state as the sole site  
5 for the event; and

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

8 (a-2) If a site selection organization selects a site for an  
9 event in this state and a request is submitted in accordance with  
10 Subsection (p) of this section, the comptroller shall establish for  
11 that event an event oversight committee composed of:

12 (1) the comptroller;

13 (2) the state auditor; and

14 (3) for each endorsing county and endorsing  
15 municipality for the event, one representative who has significant  
16 experience in auditing procedures or fiscal matters relevant to the  
17 event.

18 (b) If a site selection organization selects a site for an  
19 event in this state pursuant to an application by a local organizing  
20 committee, endorsing municipality, or endorsing county, upon  
21 request of a local organizing committee, endorsing municipality, or  
22 endorsing county, the event oversight committee ~~[comptroller]~~  
23 shall determine for a one-year period that begins two months before  
24 the date on which the event will begin, in accordance with  
25 procedures developed by the comptroller:

26 (1) the incremental increase in the receipts to the  
27 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax

1 Code, and under Title 5, Alcoholic Beverage Code, within the market  
2 areas designated under Subsection (c) of this section, that is  
3 directly attributable, as determined by the event oversight  
4 committee [~~comptroller~~], to the preparation for and presentation of  
5 the event and related activities;

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

15 (3) the incremental increase in the receipts collected  
16 by the 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 event  
21 oversight committee [~~comptroller~~], to the preparation for and  
22 presentation of the event 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 event oversight committee  
27 [~~comptroller~~], to the preparation for and presentation of the event

1 and related activities; and

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

8 (b-1) A request for a determination of the amount of  
9 incremental increase in tax receipts specified by Subsection (b) of  
10 this section must be submitted to the event oversight committee  
11 ~~[comptroller]~~ not earlier than one year and not later than three  
12 months before the date the event begins. The event oversight  
13 committee ~~[comptroller]~~ shall base the determination specified by  
14 Subsection (b) of this section on information submitted by the  
15 local organizing committee, endorsing municipality, or endorsing  
16 county, and must make the determination not later than the 30th day  
17 after the date the event oversight committee ~~[comptroller]~~ receives  
18 the request and related information.

19 (c) For the purposes of Subsection (b)(1) of this section,  
20 the event oversight committee ~~[comptroller]~~ shall designate as a  
21 market area for the event each area in which the event oversight  
22 committee ~~[comptroller]~~ determines there is a reasonable  
23 likelihood of measurable economic impact directly attributable to  
24 the preparation for and presentation of the event and related  
25 activities, including areas likely to provide venues,  
26 accommodations, and services in connection with the event based on  
27 the proposal provided by the local organizing committee to the

1 event oversight committee ~~[comptroller]~~. The event oversight  
2 committee ~~[comptroller]~~ shall determine the geographic boundaries  
3 of each market area. An endorsing municipality or endorsing county  
4 that has been selected as the site for the event must be included in  
5 a market area for the event.

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

19 (i) A local organizing committee, endorsing municipality,  
20 or endorsing county shall provide information required by the  
21 comptroller or event oversight committee to enable the comptroller  
22 and event oversight committee to fulfill ~~[the comptroller's]~~ duties  
23 imposed 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 and to the economic impact of the event. A local organizing

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

14 (j) Not later than the 30th day after the date a request of a  
15 local organizing committee, endorsing municipality, or endorsing  
16 county is submitted to the event oversight committee ~~[comptroller]~~  
17 under Subsection (b-1) of this section, the event oversight  
18 committee ~~[comptroller]~~ shall provide an estimate of the total  
19 amount of tax revenue that would be deposited in the Major Events  
20 trust fund under this section in connection with that event, if the  
21 event were to be held in this state at a site selected pursuant to an  
22 application by a local organizing committee, endorsing  
23 municipality, or endorsing county. A local organizing committee,  
24 endorsing municipality, or endorsing county may submit the event  
25 oversight committee's ~~[comptroller's]~~ estimate to a site selection  
26 organization.

27 (k) The comptroller may make a disbursement from the Major

1 Events trust fund on the prior approval of each contributing  
2 endorsing municipality or endorsing county for a purpose for which  
3 a local organizing committee, an endorsing municipality, or an  
4 endorsing county or the state is obligated under a game support  
5 contract or event support contract, provided that the purpose for  
6 which the obligation was incurred is strictly necessary for the  
7 conduct of the event. If an obligation is incurred under a game  
8 support contract or event support contract to make a structural  
9 improvement to the site or to add a fixture to the site for purposes  
10 of an event and that improvement or fixture is expected to derive  
11 most of its value in subsequent uses of the site for future events,  
12 a disbursement from the trust fund made for purposes of that  
13 obligation is limited to five percent of the cost of the improvement  
14 or fixture and the remainder of the obligation is not eligible for a  
15 disbursement from the trust fund. A disbursement may not be made  
16 from the trust fund that the comptroller determines would be used  
17 for the purpose of soliciting the relocation of a professional  
18 sports franchise located in this state.

19 (m) On payment of all state, municipal, or county  
20 obligations under a game support contract or event support contract  
21 related to the location of any particular event in the state, the  
22 comptroller shall remit to each endorsing entity, in proportion to  
23 the amount contributed by the entity, the lesser of:

24 (1) the amount the endorsing entity certifies to the  
25 comptroller that the endorsing entity expended on the event; or

26 (2) the remainder of the [any] money [remaining] in  
27 the trust fund.

(p) The comptroller may not undertake any of the responsibilities or duties set forth in this section unless:

(1) a request is submitted by the municipality or the county in which the event will be located;

(2) the event meets all the requirements for funding under this section, including Subsection (a-1) of this section;

(3) the event oversight committee members unanimously agree on the amounts of incremental increase in tax receipts determined under Subsection (b) of this section; and

(4) the request is [— The request must be] accompanied by documentation from a site selection organization listed in Subsection (a)(5) of this section selecting the site for the event.

(r) This subsection applies only to an event that the event oversight committee ~~[comptroller]~~ determines under Subsection (b) of this section will generate at least \$15 million in state and local tax revenue. The comptroller and one or more endorsing municipalities or endorsing counties may enter into an agreement to provide that an amount equal to the amount of local tax revenue determined by the event oversight committee ~~[comptroller]~~ under Subsections (b)(2) through (5) of this section shall be remitted to the comptroller by one or more endorsing municipalities or endorsing counties and shall be deposited by the comptroller into the Major Events trust fund before the event. In the 12 months immediately preceding the event, the comptroller may deposit into the trust fund an amount equal to the amount the state is required to deposit under Subsection (f) of this section from any amounts appropriated by the legislature for the purposes of this



subsection. The comptroller may make disbursements from the trust fund in amounts that do not exceed the amounts deposited under this subsection in accordance with the agreement to pay costs relating to attracting and securing the event. An agreement under this subsection may provide that, following the last day of an event, the funds eligible for disbursement under Subsection (k) of this section be held in the trust fund and made available to pay the cost of securing the event in future years.

(w) Not later than 18 months after the last day of an event eligible for disbursements from the Major Events trust fund for costs associated with the event, the event oversight committee [~~comptroller~~] using existing resources shall [+]

[~~(1)~~] complete a study in the market area of the event on the measurable economic impact directly attributable to the preparation for and presentation of the event and related activities. The comptroller shall [~~+~~ and

[~~(2)~~] post on the comptroller's Internet website:

(1) the results of the study conducted under this subsection, including any source documentation or other information relied on by the event oversight committee for the study;

(2) the amount of incremental increase in tax receipts for the event determined under Subsection (b) of this section;

(3) the site selection organization documentation described in Subsection (p)(4) of this section; and

(4) any source documentation or information described under Subsection (i) of this section that was relied on by the event

1 oversight committee in making the unanimous determination of the  
2 amount of incremental increase in tax receipts under Subsection (b)  
3 of this section [~~Subdivision (1) of this subsection~~].

4 (x) Subsection (w) of this section does not require  
5 disclosure of information that is confidential under Chapter 552,  
6 Government Code, or confidential or privileged under other law.

7 SECTION 3. The changes in law made by this Act apply only to  
8 a request submitted to the comptroller by an endorsing municipality  
9 or endorsing county under Section 5A, Chapter 1507 (S.B. 456), Acts  
10 of the 76th Legislature, Regular Session, 1999 (Article 5190.14,  
11 Vernon's Texas Civil Statutes), on or after the effective date of  
12 this Act. A request submitted under Section 5A before that date is  
13 governed by the law in effect on the date the request is submitted,  
14 and that law is continued in effect for that purpose.

15 SECTION 4. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2013.