

AN ACT

relating to the events and expenses eligible for, reporting requirements concerning disbursements from, and a study by the comptroller of the Major Events trust fund and the Events trust fund.

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

SECTION 1. Subdivision (4), Subsection (a), 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 to read as follows:

(4) "Event" means a Super Bowl, a National Collegiate Athletic Association Final Four tournament game, the National Basketball Association All-Star Game, the X Games, the National Hockey League All-Star Game, the Major League Baseball All-Star Game, a National Collegiate Athletic Association Bowl Championship Series game, a World Cup Soccer game, the World Games, a national collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee, an Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the United States Olympic Committee's Community Olympic Development Program, a mixed martial arts championship, the Breeders' Cup World Championships, a Formula One automobile race, the Academy of Country Music Awards, the National Cutting Horse

1 Association Triple Crown, [~~or~~] a national political convention of  
2 the Republican National Committee or the Democratic National  
3 Committee, or the largest event held each year at a sports  
4 entertainment venue in this state with a permanent seating  
5 capacity, including grandstand and premium seating, of not less  
6 than 125,000. The term includes any activities related to or  
7 associated with an event.

8 SECTION 2. Section 5A, Chapter 1507 (S.B. 456), Acts of the  
9 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's  
10 Texas Civil Statutes), is amended by amending Subsections (a-1),  
11 (b-1), (h), (i), (k), (p), and (w) and adding Subsections (a-2),  
12 (x), and (y) to read as follows:

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

17 (1) a site selection organization selects a site  
18 located in this state for the event to be held one time or, for an  
19 event scheduled to be held each year for a period of years under an  
20 event contract, or an event support contract, one time each year for  
21 the period of years, after considering, through a highly  
22 competitive selection process, one or more sites that are not  
23 located in this state;

24 (2) a site selection organization selects a site in  
25 this state as:

- 26 (A) the sole site for the event; or  
27 (B) the sole site for the event in a region

1 composed of this state and one or more adjoining states; ~~and~~

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

4 (4) the amount of the incremental increase in tax  
5 receipts determined by the comptroller under Subsection (b) of this  
6 section equals or exceeds \$1 million, provided that for an event  
7 scheduled to be held each year for a period of years under an event  
8 contract or event support contract, the incremental increase in tax  
9 receipts shall be calculated as if the event did not occur in the  
10 prior year.

11 (a-2) Subsection (a-1)(1) of this section does not apply to  
12 an event that is the largest event held each year at a sports  
13 entertainment venue in this state with a permanent seating  
14 capacity, including grandstand and premium seating, of not less  
15 than 125,000. If an endorsing municipality or endorsing county  
16 requests the comptroller to make a determination under Subsection  
17 (b) of this section for an event described by this subsection, the  
18 provisions of this section apply to that event as if it satisfied  
19 the eligibility requirements for an event under Subsection (a-1)(1)  
20 of this section.

21 (b-1) A request for a determination of the amount of  
22 incremental increase in tax receipts specified by Subsection (b) of  
23 this section must be submitted to the comptroller not earlier than  
24 one year and not later than 45 days [~~three months~~] before the date  
25 the event begins. The comptroller shall base the determination  
26 specified by Subsection (b) of this section on information  
27 submitted by the local organizing committee, endorsing

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

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

16 (i) A local organizing committee, endorsing municipality,  
17 or endorsing county shall provide information required by the  
18 comptroller to enable the comptroller to fulfill the comptroller's  
19 duties under this section, including annual audited statements of  
20 any financial records required by a site selection organization and  
21 data obtained by the local organizing committee, an endorsing  
22 municipality, or an endorsing county relating to attendance at the  
23 event, including an estimate of the number of people expected to  
24 attend the event who are not residents of this state, and to the  
25 economic impact of the event. A local organizing committee,  
26 endorsing municipality, or endorsing county must provide an annual  
27 audited financial statement required by the comptroller, if any,

1 not later than the end of the fourth month after the date the period  
2 covered by the financial statement ends. After the conclusion of an  
3 event and on the comptroller's request, a local organizing  
4 committee, endorsing municipality, or endorsing county must  
5 provide information relating to the event, such as attendance  
6 figures, including an estimate of the number of attendees at the  
7 event who are not residents of this state, financial information,  
8 or other public information held by the local organizing committee,  
9 endorsing municipality, or endorsing county that the comptroller  
10 considers necessary.

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

1 support contract as relieving a local organizing committee's,  
2 endorsing municipality's, or endorsing county's obligation to pay a  
3 cost under the contract. A disbursement may not be made from the  
4 trust fund that the comptroller determines would be used for the  
5 purpose of soliciting the relocation of a professional sports  
6 franchise located in this state.

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

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

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

13 (3) the request is [~~The request must be~~] accompanied  
14 by documentation from a site selection organization selecting the  
15 site for the event.

16 (w) Not later than 10 [~~18~~] months after the last day of an  
17 event eligible for disbursements from the Major Events trust fund  
18 for costs associated with the event, the comptroller using existing  
19 resources shall[+]

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

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

25 (1) the results of the study conducted under this  
26 subsection, including any source documentation or other  
27 information relied on by the comptroller for the study;

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

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

5           (4) any source documentation or information described  
6 under Subsection (i) of this section that was relied on by the  
7 comptroller in making the determination of the amount of  
8 incremental increase in tax receipts under Subsection (b) of this  
9 section; and

10          (5) documentation verifying that:

11           (A) a request submitted by a local organizing  
12 committee, endorsing municipality, or endorsing county under  
13 Subsection (p) of this section is complete and certified as such by  
14 the comptroller;

15           (B) the determination on the amount of  
16 incremental increases in tax receipts under Subsection (b) of this  
17 section considered the information submitted by a local organizing  
18 committee, endorsing municipality, or endorsing county as required  
19 under Subsection (b-1) of this section; and

20           (C) each deadline established under this section  
21 was timely met [~~Subdivision (1) of this subsection~~].

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

25           (y) After the conclusion of an event, the comptroller shall  
26 compare information on the actual attendance figures provided to  
27 the comptroller under Subsection (i) of this section with the

1 estimated attendance numbers used to determine the incremental  
2 increase in tax receipts under Subsection (b) of this section. If  
3 the actual attendance figures are significantly lower than the  
4 estimated attendance numbers, the comptroller may reduce the amount  
5 of a disbursement for an endorsing entity under the Major Events  
6 trust fund in proportion to the discrepancy between the actual and  
7 estimated attendance and in proportion to the amount contributed to  
8 the fund by the entity. The comptroller by rule shall define  
9 "significantly lower" for purposes of this subsection and provide  
10 the manner in which a disbursement may be proportionately reduced.  
11 This subsection does not affect the remittance of any money  
12 remaining in the fund in accordance with Subsection (m) of this  
13 section.

14 SECTION 3. Section 5C, Chapter 1507 (S.B. 456), Acts of the  
15 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's  
16 Texas Civil Statutes), is amended by amending Subsections (a-1),  
17 (h), (i), and (k) and adding Subsections (b-1), (k-1), (k-2), (r),  
18 (s), and (t) to read as follows:

19 (a-1) An event is eligible for funding under this section  
20 only if:

21 (1) a site selection organization selects a site for  
22 the event located in this state to be held one time or, for an event  
23 scheduled to be held each year for a period of years under an event  
24 contract, or an events support contract, one time each year for the  
25 period of years, after considering, through a highly competitive  
26 selection process, one or more sites that are not located in this  
27 state;



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

3                   (A) the sole site for the event; or

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

6           (3) the event is held not more than one time in this  
7 state or an adjoining state in any year.

8           (b-1) The number of requests for funding under this section  
9 that may be submitted by an endorsing county or endorsing  
10 municipality during any 12-month period for an event for which the  
11 comptroller determines that the total amount of the incremental  
12 increase in tax receipts under Subsection (b) of this section is  
13 less than \$200,000 is limited to, during any 12-month period, not  
14 more than 10 events, only three of which may be nonsporting events.

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

27           (i) A local organizing committee, endorsing municipality,

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

22 (k) The comptroller may make a disbursement from the Events  
23 trust fund on the prior approval of each contributing endorsing  
24 municipality or endorsing county for a purpose for which a local  
25 organizing committee, an endorsing municipality, or an endorsing  
26 county or this state is obligated under an event support contract,  
27 including an obligation to pay costs incurred in the conduct of the

1 event and costs incurred in making preparations necessary for the  
2 event. If an obligation is incurred under an event support contract  
3 to make a structural improvement to the site or to add a fixture to  
4 the site for purposes of an event and that improvement or fixture is  
5 expected to derive most of its value in subsequent uses of the site  
6 for future events, a disbursement from the trust fund made for  
7 purposes of that obligation is limited to five percent of the cost  
8 of the improvement or fixture and the remainder of the obligation is  
9 not eligible for a disbursement from the trust fund, unless the  
10 improvement or fixture is for a publicly owned facility. In  
11 considering whether to make a disbursement from the trust fund, the  
12 comptroller may not consider a contingency clause in an event  
13 support contract as relieving a local organizing committee's,  
14 endorsing municipality's, or endorsing county's obligation to pay a  
15 cost under the contract.

16 (k-1) A disbursement may not be made from the trust fund  
17 that the comptroller determines would be used for the purpose of:

18 (1) soliciting the relocation of a professional sports  
19 franchise located in this state;

20 (2) constructing an arena, stadium, or convention  
21 center; or

22 (3) conducting usual and customary maintenance of a  
23 facility.

24 (k-2) Subsection (k-1) of this section does not prohibit:

25 (1) a disbursement from the trust fund for the  
26 construction of temporary structures within an arena, stadium, or  
27 convention, if those temporary structures are necessary for the

1 conduct of the event; or

2 (2) temporary maintenance of a facility that is  
3 necessary for the preparation for or conduct of the event.

4 (r) The comptroller may adopt a model event support contract  
5 and make the contract available on the comptroller's Internet  
6 website. The adoption by the comptroller of a model event support  
7 contract under this subsection does not require use of the model  
8 event support contract for purposes of this section.

9 (s) The comptroller may adopt rules necessary to implement  
10 this section.

11 (t) After the conclusion of an event, the comptroller shall  
12 compare information on the actual attendance figures provided to  
13 the comptroller under Subsection (i) of this section with the  
14 estimated attendance numbers used to determine the incremental  
15 increase in tax receipts under Subsection (b) of this section. If  
16 the actual attendance figures are significantly lower than the  
17 estimated attendance numbers, the comptroller may reduce the amount  
18 of a disbursement for an endorsing entity under the Events trust  
19 fund in proportion to the discrepancy between the actual and  
20 estimated attendance and in proportion to the amount contributed to  
21 the fund by the entity. The comptroller by rule shall define  
22 "significantly lower" for purposes of this subsection and provide  
23 the manner in which a disbursement may be proportionately reduced.  
24 This subsection does not affect the remittance of any money  
25 remaining in the fund in accordance with Subsection (m) of this  
26 section.

27 SECTION 4. Subsections (r), (s), (t), and (u), Section 5A,

1 Chapter 1507 (Senate Bill No. 456), Acts of the 76th Legislature,  
2 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil  
3 Statutes), are repealed.

4 SECTION 5. (a) The comptroller of public accounts shall  
5 conduct a study to determine:

6 (1) the economic impact of the events that qualify for  
7 funding through an events trust fund; and

8 (2) whether the events would likely be held in this  
9 state in the absence of the incentives provided through the fund.

10 (b) The comptroller of public accounts shall prepare a  
11 report of the findings from the study conducted under Subsection  
12 (a) of this section. Not later than January 1, 2015, the  
13 comptroller shall electronically file a copy of the report with the  
14 lieutenant governor, the speaker of the house of representatives,  
15 and the presiding officer of each standing committee of the senate  
16 and house of representatives having primary jurisdiction over  
17 fiscal matters or matters related to tourism or recreation.

18 (c) This section expires September 1, 2015.

19 SECTION 6. The changes in law made by this Act apply only to  
20 a request submitted to the comptroller of public accounts by an  
21 endorsing municipality or endorsing county under Section 5A or 5C,  
22 Chapter 1507 (Senate Bill No. 456), Acts of the 76th Legislature,  
23 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil  
24 Statutes), on or after the effective date of this Act. A request  
25 submitted under Section 5A or 5C before that date is governed by the  
26 law in effect on the date the request is submitted, and that law is  
27 continued in effect for that purpose.

1           SECTION 7. This Act takes effect immediately if it receives  
2 a vote of two-thirds of all the members elected to each house, as  
3 provided by Section 39, Article III, Texas Constitution. If this  
4 Act does not receive the vote necessary for immediate effect, this  
5 Act takes effect September 1, 2013.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1678 passed the Senate on April 25, 2013, by the following vote: Yeas 28, Nays 0; and that the Senate concurred in House amendments on May 25, 2013, by the following vote: Yeas 20, Nays 8.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1678 passed the House, with amendments, on May 20, 2013, by the following vote: Yeas 145, Nays 2, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor