

By: Deuell, et al.
(Isaac, Lucio III, J. Davis of Harris)

S.B. No. 1678

Substitute the following for S.B. No. 1678:

By: Murphy

C.S.S.B. No. 1678

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the events and expenses eligible for, reporting
3 requirements concerning disbursements from, and a study by the
4 comptroller of the Major Events trust fund and the 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), (p), and (w) and adding Subsections (x) and
11 (y) to read as follows:

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

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

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

1 (A) the sole site for the event; or
2 (B) the sole site for the event in a region
3 composed of this state and one or more adjoining states; ~~and~~

4 (3) the event is held not more than one time in any
5 year; or

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

12 (b-1) A request for a determination of the amount of
13 incremental increase in tax receipts specified by Subsection (b) of
14 this section must be submitted to the comptroller not earlier than
15 one year and not later than 45 days [~~three months~~] before the date
16 the event begins. The comptroller shall base the determination
17 specified by Subsection (b) of this section on information
18 submitted by the local organizing committee, endorsing
19 municipality, or endorsing county, and must make the determination
20 not later than the 30th day after the date the comptroller receives
21 the request and related information.

22 (h) The funds in the Major Events trust fund may be used to
23 pay the principal of and interest on notes issued by an endorsing
24 municipality or endorsing county under Subsection (g) of this
25 section and to fulfill obligations of the state or an endorsing
26 municipality or endorsing county to a site selection organization
27 under a game support contract or event support contract. Subject to

1 Subsection (k) of this section, the~~[, which]~~ obligations may
2 include the payment of costs relating to the preparations necessary
3 ~~[or desirable]~~ for the conduct of the event and the payment of costs
4 of conducting the event, including improvements or renovations to
5 existing facilities or other facilities and costs of acquisition or
6 construction of new facilities or other facilities.

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

1 considers necessary.

2 (k) The comptroller may make a disbursement from the Major
3 Events trust fund on the prior approval of each contributing
4 endorsing municipality or endorsing county for a purpose for which
5 a local organizing committee, an endorsing municipality, or an
6 endorsing county or the state is obligated under a game support
7 contract or event support contract. In considering whether to make
8 a disbursement from the trust fund, the comptroller may not
9 consider a contingency clause in an event support contract as
10 relieving a local organizing committee's, endorsing
11 municipality's, or endorsing county's obligation to pay a cost
12 under the contract. A disbursement may not be made from the trust
13 fund that the comptroller determines would be used for the purpose
14 of soliciting the relocation of a professional sports franchise
15 located in this state.

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

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

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

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

25 (w) Not later than 10 [~~18~~] months after the last day of an
26 event eligible for disbursements from the Major Events trust fund
27 for costs associated with the event, the comptroller using existing

1 resources shall~~+~~

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

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

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

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

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

14 (4) any source documentation or information described
15 under Subsection (i) of this section that was relied on by the
16 comptroller in making the determination of the amount of
17 incremental increase in tax receipts under Subsection (b) of this
18 section; and

19 (5) documentation verifying that:

20 (A) a request submitted by a local organizing
21 committee, endorsing municipality, or endorsing county under
22 Subsection (p) of this section is complete and certified as such by
23 the comptroller;

24 (B) the determination on the amount of
25 incremental increases in tax receipts under Subsection (b) of this
26 section considered the information submitted by a local organizing
27 committee, endorsing municipality, or endorsing county as required

1 under Subsection (b-1) of this section; and

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

23 SECTION 2. Section 5C, Chapter 1507 (S.B. 456), Acts of the
24 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's
25 Texas Civil Statutes), is amended by adding Subsections (a-1),
26 (b-1), (k-1), (r), (s), and (t) and amending Subsections (h), (i),
27 and (k) to read as follows:

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

3 (1) a site selection organization selects a site for the
4 event located in this state to be held one time or, for an event
5 scheduled to be held each year for a period of years under an event
6 contract, or an events support contract, one time each year for the
7 period of years, after considering, through a highly competitive
8 selection process, one or more sites that are not located in this
9 state;

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

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

1 construction of new facilities or other facilities.

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

24 (k) The comptroller may make a disbursement from the Events
25 trust fund on the prior approval of each contributing endorsing
26 municipality or endorsing county for a purpose for which a local
27 organizing committee, an endorsing municipality, or an endorsing

1 county or this state is obligated under an event support contract,
2 including an obligation to pay costs incurred in the conduct of the
3 event and costs incurred in making preparations necessary for the
4 event. In considering whether to make a disbursement from the trust
5 fund, the comptroller may not consider a contingency clause in an
6 event support contract as relieving a local organizing committee's,
7 endorsing municipality's, or endorsing county's obligation to pay a
8 cost under the contract.

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

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

13 (2) constructing an arena, stadium, or convention
14 center; or

15 (3) conducting usual and customary maintenance of a
16 facility.

17 (r) The comptroller may adopt a model event support contract
18 and make the contract available on the comptroller's Internet
19 website.

20 (s) The comptroller may adopt rules necessary to implement
21 this section.

22 (t) After the conclusion of an event, the comptroller shall
23 compare information on the actual attendance figures provided to
24 the comptroller under Subsection (i) of this section with the
25 estimated attendance numbers used to determine the incremental
26 increase in tax receipts under Subsection (b) of this section. If
27 the actual attendance figures are significantly lower than the

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

11 SECTION 3. Subsections (r), (s), (t), and (u), Section 5A,
12 Chapter 1507 (Senate Bill No. 456), Acts of the 76th Legislature,
13 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil
14 Statutes), are repealed.

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

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

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

21 (b) The comptroller of public accounts shall prepare a
22 report of the findings from the study conducted under Subsection
23 (a) of this section. Not later than January 1, 2015, the
24 comptroller shall electronically file a copy of the report with the
25 lieutenant governor, the speaker of the house of representatives,
26 and the presiding officer of each standing committee of the senate
27 and house of representatives having primary jurisdiction over

1 fiscal matters or matters related to tourism or recreation.

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

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

12 SECTION 6. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2013.