

By: Deuell, Patrick

S.B. No. 1678

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the eligibility, disbursement, and reporting
3 requirements of the Major Events trust fund and the Events trust
4 fund.

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

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

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) of this section is at least \$1
2 million.

3 (b-1) A request for a determination of the amount of
4 incremental increase in tax receipts specified by Subsection (b) of
5 this section must be submitted to the comptroller not earlier than
6 one year and not later than 45 days [~~three months~~] before the date
7 the event begins. The comptroller shall base the determination
8 specified by Subsection (b) of this section on information
9 submitted by the local organizing committee, endorsing
10 municipality, or endorsing county, and must make the determination
11 not later than the 30th day after the date the comptroller receives
12 the request and related information.

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

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

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

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

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

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

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

21 (w-1) The comptroller may not consider a subsequent request
22 to participate in the Major Events trust fund for the same event in
23 the same endorsing municipality or endorsing county until a
24 post-event study is completed under Subsection (w) of this section
25 for the preceding event.

26 SECTION 2. Section 5C, Chapter 1507 (S.B. 456), Acts of the
27 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's

1 Texas Civil Statutes), is amended by adding Subsections (a-2) and
2 (r) and amending Subsections (h), (i), and (k) to read as follows:

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

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

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

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

23 (i) A local organizing committee, endorsing municipality,
24 or endorsing county shall provide information required by the
25 comptroller to enable the comptroller to fulfill the comptroller's
26 duties under this section, including annual audited statements of
27 any financial records required by a site selection organization and

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

16 (k) The comptroller may make a disbursement from the Events
17 trust fund on the prior approval of each contributing endorsing
18 municipality or endorsing county for a purpose for which a local
19 organizing committee, an endorsing municipality, or an endorsing
20 county or this state is obligated under an event support contract.
21 If an obligation is incurred under a game support contract or event
22 support contract to make a structural improvement to the site or to
23 add a fixture to the site for purposes of an event and that
24 improvement or fixture is expected to derive most of its value from
25 subsequent uses of the site for future events, a disbursement from
26 the trust fund made for purposes of that obligation is limited to
27 five percent of the cost of the improvement or fixture and the

1 remainder of the obligation is not eligible for a disbursement from
2 the trust fund. A disbursement may not be made from the trust fund
3 that the comptroller determines would be used for the purpose of
4 soliciting the relocation of a professional sports franchise
5 located in this state.

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

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

22 SECTION 4. The changes in law made by this Act apply only to
23 a request submitted to the comptroller by an endorsing municipality
24 or endorsing county under Section 5A or 5C, Chapter 1507 (Senate
25 Bill No. 456), Acts of the 76th Legislature, Regular Session, 1999
26 (Article 5190.14, Vernon's Texas Civil Statutes), on or after the
27 effective date of this Act. A request submitted under Section 5A or

1 5C before that date is governed by the law in effect on the date the
2 request is submitted, and that law is continued in effect for that
3 purpose.

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