

1-1 By: Deuell, Patrick S.B. No. 1678  
1-2 (In the Senate - Filed March 8, 2013; March 25, 2013, read  
1-3 first time and referred to Committee on Economic Development;  
1-4 April 22, 2013, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 22, 2013,  
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Deuell	X		
1-10	Hancock	X		
1-11	Birdwell	X		
1-12	Davis	X		
1-13	Eltife	X		
1-14	Fraser	X		
1-15	Watson	X		

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1678 By: Hancock

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to the events and expenses eligible for and reporting  
1-20 requirements concerning disbursements from the Major Events trust  
1-21 fund and the Events trust fund.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 5A, Chapter 1507 (S.B. 456), Acts of the  
1-24 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's  
1-25 Texas Civil Statutes), is amended by amending Subsections (a-1),  
1-26 (b-1), (h), (i), (k), (p), and (w) and adding Subsections (x) and  
1-27 (y) to read as follows:

1-28 (a-1) An event ~~not listed~~ ~~[included]~~ in Subsection (a)(4) of  
1-29 this section is ~~ineligible~~ ~~[eligible]~~ for funding under this  
1-30 section. A listed event may receive funding under this section only  
1-31 if:

1-32 (1) a site selection organization selects a site  
1-33 located in this state for the event after considering, through a  
1-34 highly competitive selection process, one or more sites that are  
1-35 not located in this state;

1-36 (2) a site selection organization selects a site in  
1-37 this state as:

1-38 (A) the sole site for the event; or  
1-39 (B) the sole site for the event in a region  
1-40 composed of this state and one or more adjoining states; ~~and~~

1-41 (3) the event is held not more than one time in any  
1-42 year; and

1-43 (4) the amount of the incremental increase in tax  
1-44 receipts determined by the comptroller under Subsection (b) of this  
1-45 section equals or exceeds \$1 million.

1-46 (b-1) A request for a determination of the amount of  
1-47 incremental increase in tax receipts specified by Subsection (b) of  
1-48 this section must be submitted to the comptroller not earlier than  
1-49 one year and not later than 45 days ~~[three months]~~ before the date  
1-50 the event begins. The comptroller shall base the determination  
1-51 specified by Subsection (b) of this section on information  
1-52 submitted by the local organizing committee, endorsing  
1-53 municipality, or endorsing county, and must make the determination  
1-54 not later than the 30th day after the date the comptroller receives  
1-55 the request and related information.

1-56 (h) The funds in the Major Events trust fund may be used to  
1-57 pay the principal of and interest on notes issued by an endorsing  
1-58 municipality or endorsing county under Subsection (g) of this  
1-59 section and to fulfill obligations of the state or an endorsing  
1-60 municipality or endorsing county to a site selection organization

2-1 under a game support contract or event support contract. Subject to  
 2-2 Subsection (k) of this section, the~~[, which]~~ obligations may  
 2-3 include the payment of costs relating to the preparations necessary  
 2-4 ~~[or desirable]~~ for the conduct of the event and the payment of costs  
 2-5 of conducting the event, including improvements or renovations to  
 2-6 existing facilities or other facilities and costs of acquisition or  
 2-7 construction of new facilities or other facilities.

2-8 (i) A local organizing committee, endorsing municipality,  
 2-9 or endorsing county shall provide information required by the  
 2-10 comptroller to enable the comptroller to fulfill the comptroller's  
 2-11 duties under this section, including annual audited statements of  
 2-12 any financial records required by a site selection organization and  
 2-13 data obtained by the local organizing committee, an endorsing  
 2-14 municipality, or an endorsing county relating to attendance at the  
 2-15 event, including an estimate of the number of people expected to  
 2-16 attend the event who are not residents of this state, and to the  
 2-17 economic impact of the event. A local organizing committee,  
 2-18 endorsing municipality, or endorsing county must provide an annual  
 2-19 audited financial statement required by the comptroller, if any,  
 2-20 not later than the end of the fourth month after the date the period  
 2-21 covered by the financial statement ends. After the conclusion of an  
 2-22 event and on the comptroller's request, a local organizing  
 2-23 committee, endorsing municipality, or endorsing county must  
 2-24 provide information relating to the event, such as attendance  
 2-25 figures, including an estimate of the number of attendees at the  
 2-26 event who are not residents of this state, financial information,  
 2-27 or other public information held by the local organizing committee,  
 2-28 endorsing municipality, or endorsing county that the comptroller  
 2-29 considers necessary.

2-30 (k) The comptroller may make a disbursement from the Major  
 2-31 Events trust fund on the prior approval of each contributing  
 2-32 endorsing municipality or endorsing county for a purpose for which  
 2-33 a local organizing committee, an endorsing municipality, or an  
 2-34 endorsing county or the state is obligated under a game support  
 2-35 contract or event support contract. If an obligation is incurred  
 2-36 under a games support contract or event support contract to make a  
 2-37 structural improvement to the site or to add a fixture to the site  
 2-38 for purposes of an event and that improvement or fixture is expected  
 2-39 to derive most of its value in subsequent uses of the site for  
 2-40 future events, a disbursement from the trust fund made for purposes  
 2-41 of that obligation is limited to five percent of the cost of the  
 2-42 improvement or fixture and the remainder of the obligation is not  
 2-43 eligible for a disbursement from the trust fund. A disbursement may  
 2-44 not be made from the trust fund that the comptroller determines  
 2-45 would be used for the purpose of soliciting the relocation of a  
 2-46 professional sports franchise located in this state.

2-47 (p) The comptroller may not undertake any of the  
 2-48 responsibilities or duties set forth in this section unless:

2-49 (1) a request is submitted by the municipality or the  
 2-50 county in which the event will be located;

2-51 (2) the event meets all the requirements for funding  
 2-52 under this section, including Subsection (a-1) of this section; and

2-53 (3) the request is~~[. The request must be]~~ accompanied  
 2-54 by documentation from a site selection organization selecting the  
 2-55 site for the event.

2-56 (w) Not later than 10 ~~[18]~~ months after the last day of an  
 2-57 event eligible for disbursements from the Major Events trust fund  
 2-58 for costs associated with the event, the comptroller using existing  
 2-59 resources shall~~+~~

2-60 ~~[(1)]~~ complete a study in the market area of the event  
 2-61 on the measurable economic impact directly attributable to the  
 2-62 preparation for and presentation of the event and related  
 2-63 activities. The comptroller shall~~[, and~~

2-64 ~~[(2)]~~ post on the comptroller's Internet website:

2-65 (1) the results of the study conducted under this  
 2-66 subsection, including any source documentation or other  
 2-67 information relied on by the comptroller for the study;

2-68 (2) the amount of incremental increase in tax receipts  
 2-69 for the event determined under Subsection (b) of this section;

3-1                   (3) the site selection organization documentation  
3-2 described in Subsection (p)(3) of this section;  
3-3                   (4) any source documentation or information described  
3-4 under Subsection (i) of this section that was relied on by the  
3-5 comptroller in making the determination of the amount of  
3-6 incremental increase in tax receipts under Subsection (b) of this  
3-7 section; and  
3-8                   (5) documentation verifying that:  
3-9                   (A) a request submitted by a local organizing  
3-10 committee, endorsing municipality, or endorsing county under  
3-11 Subsection (p) of this section is complete and accurate and  
3-12 certified as such by the comptroller;  
3-13                   (B) the determination on the amount of  
3-14 incremental increases in tax receipts under Subsection (b) of this  
3-15 section was based only on information submitted by a local  
3-16 organizing committee, endorsing municipality, or endorsing county  
3-17 as required under Subsection (b-1) of this section; and  
3-18                   (C) each deadline established under this section  
3-19 was timely met [~~Subdivision (1) of this subsection~~].  
3-20                   (x) Subsection (w) of this section does not require  
3-21 disclosure of information that is confidential under Chapter 552,  
3-22 Government Code, or confidential or privileged under other law.  
3-23                   (y) After the conclusion of an event, the comptroller shall  
3-24 compare information on the actual attendance figures provided to  
3-25 the comptroller under Subsection (i) of this section with the  
3-26 estimated attendance numbers used to determine the incremental  
3-27 increase in tax receipts under Subsection (b) of this section. If  
3-28 the actual attendance figures are significantly lower than the  
3-29 estimated attendance numbers, the comptroller may reduce the amount  
3-30 of a disbursement for an endorsing entity under the Major Events  
3-31 trust fund in proportion to the discrepancy between the actual and  
3-32 estimated attendance and in proportion to the amount contributed to  
3-33 the fund by the entity. The comptroller by rule shall define  
3-34 "significantly lower" for purposes of this subsection and provide  
3-35 the manner in which a disbursement may be proportionately reduced.  
3-36 This subsection does not affect the remittance of any money  
3-37 remaining in the fund in accordance with Subsection (m) of this  
3-38 section.

3-39                   SECTION 2. Section 5C, Chapter 1507 (S.B. 456), Acts of the  
3-40 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's  
3-41 Texas Civil Statutes), is amended by adding Subsections (b-1),  
3-42 (b-2), (k-1), (r), (s), and (t) and amending Subsections (h), (i),  
3-43 and (k) to read as follows:

3-44                   (b-1) The number of requests for funding under this section  
3-45 that may be submitted by an endorsing county or endorsing  
3-46 municipality during any 12-month period for an event for which the  
3-47 comptroller determines that the total amount of the incremental  
3-48 increase in tax receipts under Subsection (b) of this section is  
3-49 less than \$200,000 is limited to:  
3-50                   (1) 10 requests for an endorsing county or an  
3-51 endorsing municipality with a population greater than 100,000; or  
3-52                   (2) five requests for an endorsing municipality with a  
3-53 population of 100,000 or less.

3-54                   (b-2) An endorsing county may not submit a request for  
3-55 funding under this section for an event held at a location wholly  
3-56 within the corporate boundaries of a municipality.

3-57                   (h) The money in the Events trust fund may be used to pay the  
3-58 principal of and interest on notes issued by an endorsing  
3-59 municipality or endorsing county under Subsection (g) of this  
3-60 section and to fulfill obligations of this state or an endorsing  
3-61 municipality or endorsing county to a site selection organization  
3-62 under an event support contract. Subject to Subsection (k) of this  
3-63 section, the~~[, which]~~ obligations may include the payment of costs  
3-64 relating to the preparations necessary [~~or desirable~~] for the  
3-65 conduct of the event and the payment of costs of conducting the  
3-66 event, including improvements or renovations to existing  
3-67 facilities or other facilities and costs of acquisition or  
3-68 construction of new facilities or other facilities.

3-69                   (i) A local organizing committee, endorsing municipality,

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

4-22 (k) The comptroller may make a disbursement from the Events  
 4-23 trust fund on the prior approval of each contributing endorsing  
 4-24 municipality or endorsing county for a purpose for which a local  
 4-25 organizing committee, an endorsing municipality, or an endorsing  
 4-26 county or this state is obligated under an event support contract,  
 4-27 including an obligation to pay costs incurred in the conduct of the  
 4-28 event and costs incurred in making preparations necessary for the  
 4-29 event. If an obligation is incurred under an event support contract  
 4-30 to make a structural improvement to the site or to add a fixture to  
 4-31 the site for purposes of an event and that improvement or fixture is  
 4-32 expected to derive most of its value in subsequent uses of the site  
 4-33 for future events, a disbursement from the trust fund made for  
 4-34 purposes of that obligation is limited to five percent of the cost  
 4-35 of the improvement or fixture and the remainder of the obligation is  
 4-36 not eligible for a disbursement from the trust fund. A contingency  
 4-37 clause in an event support contract does not alleviate the local  
 4-38 organizing committee's, endorsing municipality's, or endorsing  
 4-39 county's obligation to pay a cost under the contract for purposes of  
 4-40 a determination made by the comptroller or a disbursement from the  
 4-41 trust fund under this section.

4-42 (k-1) A disbursement may not be made from the trust fund  
 4-43 that the comptroller determines would be used for the purpose of:  
 4-44 (1) soliciting the relocation of a professional sports  
 4-45 franchise located in this state;  
 4-46 (2) constructing an arena, stadium, or convention  
 4-47 center;  
 4-48 (3) conducting usual and customary maintenance of a  
 4-49 facility; or  
 4-50 (4) making major renovations to a facility.

4-51 (r) The comptroller may adopt a model event support contract  
 4-52 and make the contract available on the comptroller's Internet  
 4-53 website.

4-54 (s) The comptroller may adopt rules necessary to implement  
 4-55 this section.

4-56 (t) After the conclusion of an event, the comptroller shall  
 4-57 compare information on the actual attendance figures provided to  
 4-58 the comptroller under Subsection (i) of this section with the  
 4-59 estimated attendance numbers used to determine the incremental  
 4-60 increase in tax receipts under Subsection (b) of this section. If  
 4-61 the actual attendance figures are significantly lower than the  
 4-62 estimated attendance numbers, the comptroller may reduce the amount  
 4-63 of a disbursement for an endorsing entity under the Events trust  
 4-64 fund in proportion to the discrepancy between the actual and  
 4-65 estimated attendance and in proportion to the amount contributed to  
 4-66 the fund by the entity. The comptroller by rule shall define  
 4-67 "significantly lower" for purposes of this subsection and provide  
 4-68 the manner in which a disbursement may be proportionately reduced.  
 4-69 This subsection does not affect the remittance of any money

5-1 remaining in the fund in accordance with Subsection (m) of this  
5-2 section.

5-3 SECTION 3. Subsections (r), (s), (t), and (u), Section 5A,  
5-4 Chapter 1507 (Senate Bill No. 456), Acts of the 76th Legislature,  
5-5 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil  
5-6 Statutes), are repealed.

5-7 SECTION 4. The changes in law made by this Act apply only to  
5-8 a request submitted to the comptroller of public accounts by an  
5-9 endorsing municipality or endorsing county under Section 5A or 5C,  
5-10 Chapter 1507 (Senate Bill No. 456), Acts of the 76th Legislature,  
5-11 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil  
5-12 Statutes), on or after the effective date of this Act. A request  
5-13 submitted under Section 5A or 5C before that date is governed by the  
5-14 law in effect on the date the request is submitted, and that law is  
5-15 continued in effect for that purpose.

5-16 SECTION 5. This Act takes effect immediately if it receives  
5-17 a vote of two-thirds of all the members elected to each house, as  
5-18 provided by Section 39, Article III, Texas Constitution. If this  
5-19 Act does not receive the vote necessary for immediate effect, this  
5-20 Act takes effect September 1, 2013.

5-21

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