

By: Watson

S.B. No. 1800

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 an events trust fund for certain municipalities and counties.

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

SECTION 1. Subsection (a), Section 5C, 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 (3-a) to read as follows:

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

SECTION 2. Section 5C, 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 Subsection (a-2) and amending Subsections (b), (c), (c-1), (h), (i), (j), (k), (m), (o), and (q) to read as follows:

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

(1) the comptroller;

(2) the state auditor; and

(3) for each endorsing county and endorsing

1 municipality for the event, one representative who has significant
2 experience in auditing procedures or fiscal matters relevant to the
3 event.

4 (b) If a site selection organization selects a site for an
5 event in this state pursuant to an application by a local organizing
6 committee, endorsing municipality, or endorsing county, not later
7 than three months before the date of the event, the event oversight
8 committee [~~comptroller~~] shall determine for the 30-day period that
9 ends at the end of the day after the date on which the event will be
10 held or, if the event occurs on more than one day, after the last
11 date on which the event will be held, in accordance with procedures
12 developed by the comptroller:

13 (1) the incremental increase in the receipts to this
14 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax
15 Code, and under Title 5, Alcoholic Beverage Code, within the market
16 areas designated under Subsection (c) of this section, that is
17 directly attributable, as determined by the event oversight
18 committee [~~comptroller~~], to the preparation for and presentation of
19 the event and related activities;

20 (2) the incremental increase in the receipts collected
21 by this state on behalf of each endorsing municipality in the market
22 area from the sales and use tax imposed by each endorsing
23 municipality under Section 321.101(a), Tax Code, and the mixed
24 beverage tax revenue to be received by each endorsing municipality
25 under Section 183.051(b), Tax Code, that is directly attributable,
26 as determined by the event oversight committee [~~comptroller~~], to
27 the preparation for and presentation of the event and related

1 activities;

2 (3) the incremental increase in the receipts collected
3 by this state on behalf of each endorsing county in the market area
4 from the sales and use tax imposed by each endorsing county under
5 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to
6 be received by each endorsing county under Section 183.051(b), Tax
7 Code, that is directly attributable, as determined by the event
8 oversight committee [~~comptroller~~], to the preparation for and
9 presentation of the event and related activities;

10 (4) the incremental increase in the receipts collected
11 by each endorsing municipality in the market area from the hotel
12 occupancy tax imposed under Chapter 351, Tax Code, that is directly
13 attributable, as determined by the event oversight committee
14 [~~comptroller~~], to the preparation for and presentation of the event
15 and related activities; and

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

22 (c) For the purposes of Subsection (b)(1) of this section,
23 the event oversight committee [~~comptroller~~] shall designate as a
24 market area for the event each area in which the event oversight
25 committee [~~comptroller~~] determines there is a reasonable
26 likelihood of measurable economic impact directly attributable to
27 the preparation for and presentation of the event and related

1 activities, including areas likely to provide venues,
2 accommodations, and services in connection with the event based on
3 the proposal provided by the local organizing committee to the
4 event oversight committee [~~comptroller~~]. The event oversight
5 committee [~~comptroller~~] shall determine the geographic boundaries
6 of each market area. An endorsing municipality or endorsing county
7 that has been selected as the site for the event must be included in
8 a market area for the event.

9 (c-1) The event oversight committee [~~comptroller~~] shall
10 base the determination specified by Subsection (b) of this section
11 on information submitted by the local organizing committee,
12 endorsing municipality, or endorsing county, and must make the
13 determination not later than the 30th day after the date the event
14 oversight committee [~~comptroller~~] receives the information.

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 necessary improvements or renovations to existing
25 facilities or other facilities and costs of acquisition or
26 construction of new facilities or other facilities necessary for
27 the event.

1 (i) A local organizing committee, endorsing municipality,
2 or endorsing county shall provide information required by the
3 comptroller or event oversight committee to enable the comptroller
4 and event oversight committee to fulfill [~~the comptroller's~~] duties
5 imposed 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 and to the economic impact of the event. A local organizing
10 committee, endorsing municipality, or endorsing county must
11 provide an annual audited financial statement required by the
12 comptroller or event oversight committee, if any, not later than
13 the end of the fourth month after the date the period covered by the
14 financial statement ends. After the conclusion of an event and on
15 the [~~comptroller's~~] request of the comptroller or another member of
16 the event oversight committee, a local organizing committee,
17 endorsing municipality, or endorsing county must provide
18 information relating to the event, such as attendance figures,
19 financial information, or other public information held by the
20 local organizing committee, endorsing municipality, or endorsing
21 county that the comptroller or other member of the event oversight
22 committee considers necessary.

23 (j) The event oversight committee [~~comptroller~~] shall
24 provide an estimate not later than three months before the date of
25 an event of the total amount of tax revenue that would be deposited
26 in the Events trust fund under this section in connection with that
27 event, if the event were to be held in this state at a site selected

1 pursuant to an application by a local organizing committee,
2 endorsing municipality, or endorsing county. The event oversight
3 committee [~~comptroller~~] shall provide the estimate on request to a
4 local organizing committee, endorsing municipality, or endorsing
5 county. A local organizing committee, endorsing municipality, or
6 endorsing county may submit the event oversight committee's
7 [~~comptroller's~~] estimate to a site selection organization.

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

26 (m) On payment of all state, municipal, or county
27 obligations under an event support contract related to the location

1 of any particular event in this state, the comptroller shall remit
2 to each endorsing entity, in proportion to the amount contributed
3 by the entity, the lesser of:

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

6 (2) the remainder of the [any] money [remaining] in
7 the Events trust fund.

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

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

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

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

17 (4) the request is [~~The request must be~~] accompanied
18 by documentation from a site selection organization selecting the
19 site for the event.

20 (q) In determining the amount of state revenue available
21 under Subsection (b)(1) of this section, the event oversight
22 committee [~~comptroller~~] may consider whether:

23 (1) the event has been held in this state on previous
24 occasions; and

25 (2) changes to the character of the event could affect
26 the incremental increase in receipts collected and remitted to the
27 state by an endorsing county or endorsing municipality under that

1 subsection.

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

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