

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 8, 2013

TO: Honorable John Davis, Chair, House Committee on Economic & Small Business Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1678** by Deuell (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.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend eligibility, disbursement, and reporting requirements related to the Major Events Trust Fund (METF) and the Events Trust Fund (ETF). The bill would require that an event currently listed in statute meet only one of four requirements to be eligible for funding under METF: (1) a site selection organization, through a highly competitive selection process, selects a site located in this state for the event to be held one time or one time each year for a period of years; (2) a site selection organization selects a site in this state as the sole site of the event or the sole site for the event in a region composed of this state and one or more adjoining states; (3) the event is not held more than once in any year; or (4) the event has an incremental increase in state and local revenues of at least \$1 million. The bill would reduce the length of time the CPA has to complete a post-event impact study for a METF event from 18 to 10 months and would require the CPA to post certain documents or information related to the study and event on the CPA's website. The bill would repeal provisions related to the METF which provide authority to fund an eligible event ahead of the event through appropriations made for that purpose.

The bill would limit the number of requests an endorsing county or municipality may submit for funding through ETF within any 12-month period for events in which the CPA determines would generate less than \$200,000 in state and local revenues to 10 requests, of which only three may be for nonsporting events. The bill would prohibit disbursements from the ETF for construction of an arena, stadium or convention center and for usual and customary facility maintenance. The bill would authorize the CPA to adopt a model event support contract and to make the contract available on the CPA website.

The bill would limit distributions from both the METF and ETF only for expenses deemed necessary to conduct the event. The CPA would be authorized to proportionately reduce the amount of a disbursement for an endorsing entity from the METF and ETF if an event's actual attendance figures are significantly less than the projected attendance count.

The bill would require the CPA to conduct a study to determine the economic impact of events which qualify for funding through the METF and ETF and to determine whether the events would likely be held in this state absent incentives provided through the trust funds. The study by the CPA would be due by January 1, 2015 to the Lieutenant Governor, Speaker of the House of

Representatives, and the presiding officer of each standing committee over the Senate and House of Representatives having primary jurisdiction over fiscal matters or matters related to tourism and recreation.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. Otherwise, the bill would take effect September 1, 2013.

The CPA estimates there would also be a cost associated with conducting the study required by the bill. It is anticipated that the additional costs could be absorbed within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, RB, EP, LCO