

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 2, 2013

TO: Honorable Bob Deuell, Chair, Senate Committee on Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1678 by Deuell (Relating to the eligibility, disbursement, and reporting requirements of the Major Events trust fund and the Events trust fund.), **As Introduced**

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 funded through METF have an incremental increase in state and local revenues of at least \$1 million. The bill would reduce the length of time the Comptroller of Public Accounts (Comptroller) has to complete a post-event impact study for a METF event from 18 to 10 months and would prohibit consideration of the same event in the same municipality or county until the study is completed. 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 prohibit an endorsing municipality or county from submitting a request for event funding through the ETF to once per calendar year with the exception of events which would generate at least \$375,000 in incremental tax revenue or which would draw at least 25,000 out of state visitors. The Comptroller would be authorized to proportionately reduce the amount an endorsing municipality or county is eligible to receive from the ETF if an event's actual attendance figures are significantly less than the projected attendance count.

The bill would limit distributions from both the METF and ETF only for expenses deemed necessary to conduct the event and would create a five percent payment cap for expenses to make a structural improvement or addition of a fixture to a site if the improvement or addition is expected to derive most of its value in subsequent uses.

Based on the analysis of the Comptroller, it is anticipated that any additional costs to implement the provisions of the bill 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