

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 19, 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 events and expenses eligible for and reporting requirements concerning disbursements from the Major Events trust fund and the Events trust fund.), **Committee Report 1st 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 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 (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.

For events the CPA determines would have an incremental increase in state and local revenues of less than \$200,000, the bill would specify, based on population, the maximum number of requests for funding through the ETF that an endorsing municipality or county may submit within any 12 month period. The bill would prohibit an endorsing county from submitting a request for funding through ETF for an event held at a location wholly within the corporate boundaries of a municipality. The bill would prohibit disbursements from the ETF for: construction of an arena, stadium or convention center; usual and customary facility maintenance; and major renovations. 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 and would limit disbursements for expenses to make a structural improvement or an addition of a fixture to a site for which the improvement or fixture is expected to derive most of its value in subsequent uses to five percent of the cost of that improvement or fixture. 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 take effect immediately upon receiving a two-thirds majority vote in each house. Otherwise, the bill would take effect September 1, 2013.

Based on the analysis of the CPA, 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