

## **BILL ANALYSIS**

Senate Research Center  
84R17549 GCB-F

H.B. 3402  
By: Smith (Ellis)  
Natural Resources & Economic Development  
5/20/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties point out that the City of Houston and Harris County have worked with the Harris County-Houston Sports Authority to attract games and events such as the NCAA Final Four. According to the parties, the sports authority is a venue district that acts as the local marketing agent in seeking economic incentives from the state and oversees the remittance of matching funds to the state. The parties contend that this centralized process allows the incremental tax receipts of both the city and the county to be included in the economic incentive determination, which is crucial in the selection process for a host city or region. The parties express concern that the sports authority must duplicate the application and reporting process independently for the city and county for each event.

H.B. 3402 seeks to streamline the paperwork process by authorizing the sports authority to act as endorsing entity on behalf of the city and county in seeking to attract games and events, which would eliminate confusion and bureaucratic inefficiencies and remove the duplication of efforts.

H.B. 3402 amends current law relating to the authority of a venue district to act as an endorsing municipality or endorsing county for purposes of games or event trust funds and authorizes a fee.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter E, Chapter 335, Local Government Code, by adding Section 335.078, as follows:

Sec. 335.078. VENUE DISTRICT AS ENDORSING MUNICIPALITY OR COUNTY.

(a) Authorizes a venue district located in a county with a population of 3.3 million or more to act as an endorsing municipality or endorsing county under Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14 (Pan American Games; Olympic Games), Vernon's Texas Civil Statutes (V.T.C.S.)).

(b) Requires a venue district acting as an endorsing municipality or endorsing county under Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), to remit for deposit into the trust fund established for the games or event the amounts determined by the comptroller under that chapter. Requires the comptroller of public accounts of the State of Texas (comptroller) to determine the incremental increase in receipts attributable to the games or event and related activities under that chapter based on the amount of applicable taxes imposed by each municipality or county that comprises the venue district and not on the amount of taxes imposed by the venue district.

(c) Authorizes a venue district acting as an endorsing municipality or endorsing county under Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), to guarantee the district's obligations under a games or event support contract by pledging surcharges from user fees, including

parking or ticket fees, charged in connection with the games or event and related activities.

(d) Provides that, subject to Subsection (b), a venue district acting as an endorsing municipality or endorsing county under Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), as authorized by this section, has all the powers of an endorsing municipality or endorsing county under that chapter, and any action an endorsing municipality or endorsing county is required to take by ordinance or order under that chapter may be taken by order or resolution of the venue district.

SECTION 2. Effective date: upon passage or September 1, 2015.