

By: Button

H.B. No. 26

A BILL TO BE ENTITLED

AN ACT

1
2 relating to state economic development measures, including
3 administration of the Texas Enterprise Fund, creation of the
4 Economic Incentive Oversight Board, abolishment of the Texas
5 emerging technology fund and certain programs and funds
6 administered by the Texas Economic Development Bank, renaming the
7 Major Events trust fund to the Major Events Reimbursement Program,
8 and disposition of balances from the Texas emerging technology
9 fund.

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

11 ARTICLE 1. TRUSTEED PROGRAMS WITHIN OFFICE OF GOVERNOR

12 SECTION 1.01. Section 481.078, Government Code, is amended
13 by amending Subsections (c), (d-1), (e), (e-1), (f), and (k) and
14 adding Subsections (e-2), (e-3), and (m) to read as follows:

15 (c) Except as provided by Subsections (d) and (d-1), the
16 fund may be used only for:

17 (1) economic development, infrastructure development,
18 community development, job training programs, and business
19 incentives; and

20 (2) projects for commercialization of property
21 derived from research developed at or through public or private
22 institutions of higher education as provided by Section 481.081.

23 (d-1) The fund may be used for the Texas homeless housing
24 and services program administered by the Texas Department of

1 Housing and Community Affairs under Section 2306.2585. The
2 governor may transfer appropriations from the fund to the Texas
3 Department of Housing and Community Affairs to fund the Texas
4 homeless housing and services program. Subsections (e-3) [~~(e-1)~~],
5 (f), (f-1), (f-2), (g), (h), (h-1), (i), and (j) and Section 481.080
6 do not apply to a grant awarded for a purpose specified by this
7 subsection.

8 (e) The administration of the fund is considered to be a
9 trustee program within the office of the governor. The governor
10 may negotiate on behalf of the state regarding awarding, by grant,
11 money appropriated from the fund.

12 (e-1) Of the amount of money available in each state fiscal
13 year for distribution from the fund for awarding grants:

14 (1) 20 percent may be used only for grants to small
15 businesses as provided by Subsection (k);

16 (2) 15 percent may be used only for grants to public or
17 private institutions of higher education for projects involving
18 commercialization of property as provided by Section 481.081; and

19 (3) 65 percent may be used only for the other purposes
20 for which money from the fund may be used.

21 (e-2) The governor may award money appropriated from the
22 fund only with the prior approval of the lieutenant governor and
23 speaker of the house of representatives. For purposes of this
24 subsection, an award of money appropriated from the fund is
25 considered disapproved by the lieutenant governor or speaker of the
26 house of representatives if that officer does not approve the
27 proposal to award the grant before the 91st day after the date of

1 receipt of the proposal from the governor. The lieutenant governor
2 or the speaker of the house of representatives may extend the review
3 deadline applicable to that officer for an additional 14 days by
4 submitting a written notice to that effect to the governor before
5 the expiration of the initial review period.

6 (e-3) [~~(e-1)~~] To be eligible to receive a grant under this
7 section, the entity must:

8 (1) be in good standing under the laws of the state in
9 which the entity was formed or organized, as evidenced by a
10 certificate issued by the secretary of state or the state official
11 having custody of the records pertaining to entities or other
12 organizations formed under the laws of that state; and

13 (2) owe no delinquent taxes to a taxing unit of this
14 state.

15 (f) Before awarding a grant from the fund [~~under this~~
16 ~~section~~], the governor shall enter into a written agreement with
17 the entity to be awarded the grant money. If the entity is awarded a
18 grant for a purpose described by Subsection (c)(1), the agreement
19 must specify [~~specifying~~] that:

20 (1) if the governor finds that the grant recipient has
21 not met each of the performance targets specified in the agreement
22 as of a date certain provided in the agreement:

23 (A) the recipient shall repay the grant and any
24 related interest to the state at the agreed rate and on the agreed
25 terms;

26 (B) the governor will not distribute to the
27 recipient any grant money that remains to be awarded under the

1 agreement; and

2 (C) the governor may assess specified penalties
3 for noncompliance against the recipient;

4 (2) if all or any portion of the amount of the grant is
5 used to build a capital improvement, the state may:

6 (A) retain a lien or other interest in the
7 capital improvement in proportion to the percentage of the grant
8 amount used to pay for the capital improvement; and

9 (B) require the recipient of the grant, if the
10 capital improvement is sold, to:

11 (i) repay to the state the grant money used
12 to pay for the capital improvement, with interest at the rate and
13 according to the other terms provided by the agreement; and

14 (ii) share with the state a proportionate
15 amount of any profit realized from the sale; and

16 (3) if, as of a date certain provided in the agreement,
17 the grant recipient has not used grant money awarded under this
18 section for the purposes for which the grant was intended, the
19 recipient shall repay that amount and any related interest to the
20 state at the agreed rate and on the agreed terms.

21 (k) To encourage the development and location of small
22 businesses in this state, the governor shall make [~~consider making~~]
23 grants from the fund:

24 (1) to recipients that are small businesses in this
25 state that commit to using the grants to create additional jobs;

26 (2) to recipients that are small businesses from
27 outside the state that commit to relocate to this state; or

1 (3) for individual projects that create 100 or fewer
2 additional jobs.

3 (m) The office of the governor shall adopt rules for the
4 operation of the trustee program established under this section.
5 The rules must include:

6 (1) forms and procedures for applications for and the
7 award of grants;

8 (2) procedures for evaluating grant applications;

9 (3) provisions governing the grant agreement process;

10 (4) methods and procedures for monitoring grant
11 recipients and projects or activities for which a grant is awarded
12 from the fund to determine whether and to what extent the grant
13 recipients comply with job creation performance targets, capital
14 investment commitments, or other specified performance targets in
15 the grant agreement, including requirements that grant recipients
16 provide to the office periodic compliance updates;

17 (5) document retention requirements for grant
18 recipients that are consistent with applicable state law; and

19 (6) conflict of interest provisions to ensure that
20 persons involved in the operation of the program, including persons
21 involved in evaluating applications for or awarding grants from the
22 fund or in monitoring grant recipients or determining compliance
23 with the terms of grant agreements, do not have a substantial
24 interest in any grant recipient or grant awarded from the fund.

25 SECTION 1.02. Section 481.079(a-1), Government Code, is
26 amended to read as follows:

27 (a-1) For grants awarded for a purpose specified by Section

1 [481.078](#)(d-1) or [481.081](#), the report must include only the amount
2 and purpose of each grant.

3 SECTION 1.03. Subchapter E, Chapter 481, Government Code,
4 is amended by adding Section 481.081 to read as follows:

5 Sec. 481.081. TEXAS ENTERPRISE FUND: GRANT FOR UNIVERSITY
6 RESEARCH DEVELOPMENT WITH PRIVATE SPONSORSHIP. (a) In this
7 section:

8 (1) "Fund" means the Texas Enterprise Fund under
9 Section [481.078](#).

10 (2) "Public or private institution of higher
11 education" means an institution of higher education or a private or
12 independent institution of higher education as those terms are
13 defined by Section [61.003](#), Education Code.

14 (b) The governor shall provide grants from the fund to
15 supplement other funding for projects involving the
16 commercialization of intellectual property or other property
17 derived from research developed at or through a public or private
18 institution of higher education. To be eligible for a grant under
19 this section, a project must be supported by funding provided by one
20 or more private entities participating in the project, in addition
21 to any funding provided by the public or private institution of
22 higher education.

23 (c) The amount of a grant awarded under this section may not
24 exceed 50 percent of the total amount of investment in the project
25 provided by the applicable public or private institution of higher
26 education and the participating private entity or entities.

27 SECTION 1.04. Subchapter G, Chapter 404, Government Code,

1 is amended by adding Section 404.1031 to read as follows:

2 Sec. 404.1031. MANAGEMENT OF INVESTMENT PORTFOLIO FROM
3 FORMER TEXAS EMERGING TECHNOLOGY FUND. (a) In this section,
4 "state's emerging technology investment portfolio" means:

5 (1) the equity positions in the form of stock or other
6 security the governor took, on behalf of the state, in companies
7 that received awards under the former Texas emerging technology
8 fund; and

9 (2) any other investments made by the governor, on
10 behalf of the state, in connection with an award made under the
11 former Texas emerging technology fund.

12 (b) The trust company shall manage the state's emerging
13 technology investment portfolio in a manner that a prudent investor
14 would employ exercising reasonable care, skill, and caution, taking
15 into consideration the investment of all assets of the portfolio.
16 The trust company may recover its reasonable and necessary costs
17 incurred in the management of the portfolio from the earnings on the
18 investments in the portfolio.

19 (c) Any proceeds or other earnings from the sale of stock or
20 other investments in the state's emerging technology investment
21 portfolio, less the amount permitted to be retained for payment of
22 its costs for managing the portfolio as provided by Subsection (b),
23 shall be remitted by the trust company to the comptroller for
24 deposit in the general revenue fund.

25 SECTION 1.05. Effective September 1, 2016, Subchapter G,
26 Chapter 404, Government Code, is amended by adding Section 404.1032
27 to read as follows:

1 Sec. 404.1032. VALUATION OF INVESTMENTS FROM FORMER FUND;
2 ANNUAL REPORT. (a) To the maximum extent practicable, the trust
3 company annually shall perform a valuation of the equity positions
4 the governor took, on behalf of the state, in companies that
5 received awards under the former Texas emerging technology fund and
6 of other investments made by the governor, on behalf of the state,
7 in connection with an award under that fund. The valuation must be
8 based on a methodology that is consistent with generally accepted
9 accounting principles.

10 (b) Not later than January 31 of each year, the trust
11 company shall submit to the lieutenant governor, the speaker of the
12 house of representatives, and the standing committee of each house
13 of the legislature with primary jurisdiction over economic
14 development matters and post on the trust company's Internet
15 website a report of any valuation performed under this section
16 during the preceding state fiscal year.

17 SECTION 1.06. The heading to Chapter 490, Government Code,
18 is amended to read as follows:

19 CHAPTER 490. PROVISIONS RELATING TO FORMER TEXAS [~~FUNDING FOR~~]
20 EMERGING TECHNOLOGY FUND

21 SECTION 1.07. Sections 490.001(2) and (4), Government Code,
22 are amended to read as follows:

23 (2) "Fund" means the former Texas emerging technology
24 fund.

25 (4) "Award" means:

26 (A) for purposes of former Subchapter D, an
27 investment in the form of equity or a convertible note;

1 (B) for purposes of former Subchapter E, an
2 investment in the form of a debt instrument;

3 (C) for purposes of former Subchapter F, a grant;
4 or

5 (D) other forms of contribution or investment as
6 recommended by the former Texas Emerging Technology Advisory
7 Committee [~~committee~~] and approved by the governor, lieutenant
8 governor, and speaker of the house of representatives before
9 amendment of this chapter by the 84th Legislature, Regular Session,
10 2015.

11 SECTION 1.08. The heading to Section 490.005, Government
12 Code, is amended to read as follows:

13 Sec. 490.005. REPORT ON AWARDS FROM FORMER FUND [~~ANNUAL~~
14 ~~REPORT~~].

15 SECTION 1.09. Section 490.005, Government Code, is amended
16 by amending Subsections (a) and (b) and adding Subsection (d) to
17 read as follows:

18 (a) Not later than January 31, 2016 [~~of each year~~], the
19 governor shall submit to the lieutenant governor, the speaker of
20 the house of representatives, and the standing committee of each
21 house of the legislature with primary jurisdiction over economic
22 development matters and post on the office of the governor's
23 Internet website a report that includes for each preceding state
24 fiscal year the following information regarding awards made under
25 the fund [~~during each preceding state fiscal year~~]:

26 (1) the total number and amount of awards made;

27 (2) the number and amount of awards made under former

1 Subchapters D, E, and F;

2 (3) the aggregate total of private sector investment,
3 federal government funding, and contributions from other sources
4 obtained in connection with awards made under each of the
5 subchapters listed in Subdivision (2);

6 (4) the name of each award recipient and the amount of
7 the award made to the recipient; and

8 (5) a brief description of the equity position that
9 the governor, on behalf of the state, has taken [~~may take~~] in
10 companies that received [~~receiving~~] awards and the names of the
11 companies in which the state has taken an equity position.

12 (b) The [~~annual~~] report must also contain:

13 (1) the total number of jobs actually created by each
14 project that received an award from the fund [~~receiving funding~~
15 ~~under this chapter~~];

16 (2) an analysis of the number of jobs actually created
17 by each project that received an award from the fund [~~receiving~~
18 ~~funding under this chapter~~]; and

19 (3) a brief description regarding:

20 (A) the methodology used to determine the
21 information provided under Subdivisions (1) and (2), which may be
22 developed in consultation with the comptroller's office;

23 (B) the intended outcomes of projects funded
24 under former Subchapter D [~~during each preceding state fiscal~~
25 ~~year~~]; and

26 (C) the actual outcomes of all projects funded
27 under former Subchapter D [~~during each preceding state fiscal~~

1 ~~year~~], including any financial impact on the state resulting from a
2 liquidity event involving a company whose project was funded under
3 that subchapter.

4 (d) This section expires September 1, 2017.

5 SECTION 1.10. Effective September 1, 2016, Subchapter A,
6 Chapter 490, Government Code, is amended by adding Section 490.0051
7 to read as follows:

8 Sec. 490.0051. ANNUAL REPORT ON PROJECTS FUNDED; JOB
9 CREATION AND OUTCOMES. (a) Not later than January 31 of each year,
10 the governor shall submit to the lieutenant governor, the speaker
11 of the house of representatives, and the standing committee of each
12 house of the legislature with primary jurisdiction over economic
13 development matters and post on the office of the governor's
14 Internet website a report that contains for each preceding state
15 fiscal year the following information regarding awards made under
16 the fund:

17 (1) the total number of jobs actually created by each
18 project that received an award from the fund;

19 (2) an analysis of the number of jobs actually created
20 by each project that received an award from the fund; and

21 (3) a brief description regarding:

22 (A) the methodology used to determine the
23 information provided under Subdivisions (1) and (2), which may be
24 developed in consultation with the comptroller's office;

25 (B) the intended outcomes of all projects funded
26 under former Subchapter D; and

27 (C) the actual outcomes of all projects funded

1 under former Subchapter D, including any financial impact on the
2 state resulting from a liquidity event involving a company whose
3 project was funded under that subchapter.

4 (b) The governor shall exclude from the report information
5 that is made confidential by law.

6 (c) This section expires September 1, 2030.

7 SECTION 1.11. Section 490.006, Government Code, is amended
8 to read as follows:

9 Sec. 490.006. VALUATION OF INVESTMENTS; [~~INCLUSION IN~~]
10 ANNUAL REPORT. (a) To the maximum extent practicable, the office
11 of the governor shall annually perform a valuation of the equity
12 positions taken by the governor, on behalf of the state, in
13 companies that received [~~receiving~~] awards under the fund and of
14 other investments made by the governor, on behalf of the state, in
15 connection with an award under the fund. The valuation must~~+~~

16 [~~(1)~~] be based on a methodology that:

17 (1) [~~(A)~~] may be developed in consultation with the
18 comptroller's office; and

19 (2) [~~(B)~~] is consistent with generally accepted
20 accounting principles~~+~~ and

21 [~~(2)~~ be included with the annual report required under
22 ~~Section 490.005~~].

23 (b) Except as provided by Subsection (c), not later than
24 January 31, 2016, the governor shall submit to the lieutenant
25 governor, the speaker of the house of representatives, and the
26 standing committee of each house of the legislature with primary
27 jurisdiction over economic development matters and post on the

1 office of the governor's Internet website a report of any valuation
2 performed under this section during the preceding state fiscal
3 year.

4 (c) A valuation performed for the state fiscal year ending
5 August 31, 2015, must be included with the report required under
6 Section 490.005.

7 (d) This section expires September 1, 2016.

8 SECTION 1.12. The heading to Subchapter B, Chapter 490,
9 Government Code, is amended to read as follows:

10 SUBCHAPTER B. MISCELLANEOUS PROVISIONS [~~TEXAS EMERGING TECHNOLOGY~~
11 ~~ADVISORY COMMITTEE~~]

12 SECTION 1.13. Section 490.057, Government Code, is amended
13 to read as follows:

14 Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by
15 Subsection (b), information collected by the governor's office, the
16 former Texas Emerging Technology Advisory Committee [~~committee~~],
17 or the committee's advisory panels concerning the identity,
18 background, finance, marketing plans, trade secrets, or other
19 commercially or academically sensitive information of an
20 individual or entity that was [~~being~~] considered for or [~~7~~
21 ~~receiving, or having~~] received an award from the fund is
22 confidential unless the individual or entity consents to disclosure
23 of the information.

24 (b) The following information collected by the governor's
25 office, the former Texas Emerging Technology Advisory Committee
26 [~~committee~~], or the committee's advisory panels under this chapter
27 is public information and may be disclosed under Chapter 552:

1 (1) the name and address of an individual or entity
2 that [~~receiving or having~~] received an award from the fund;

3 (2) the amount of funding received by an award
4 recipient;

5 (3) a brief description of the project [~~that is~~]
6 funded under this chapter;

7 (4) if applicable, a brief description of the equity
8 position that the governor, on behalf of the state, has taken in an
9 entity that [~~has~~] received an award from the fund; and

10 (5) any other information designated by the committee
11 with the consent of:

12 (A) the individual or entity that [~~receiving or~~
13 ~~having~~] received an award from the fund[~~, as applicable~~];

14 (B) the governor;

15 (C) the lieutenant governor; and

16 (D) the speaker of the house of representatives.

17 SECTION 1.14. Section 50D.013(a), Agriculture Code, is
18 amended to read as follows:

19 (a) The policy council shall:

20 (1) provide a vision for unifying this state's
21 agricultural, energy, and research strengths in a successful launch
22 of a cellulosic biofuel and bioenergy industry;

23 (2) foster development of cellulosic-based and
24 bio-based fuels and build on the former Texas emerging technology
25 fund's investments in leading-edge energy research and efforts to
26 commercialize the production of bioenergy;

27 (3) pursue the creation of a next-generation biofuels

1 energy research program at a university in this state;

2 (4) work to procure federal and other funding to aid
3 this state in becoming a bioenergy leader;

4 (5) study the feasibility and economic development
5 effect of a blending requirement for biodiesel or cellulosic fuels;

6 (6) pursue the development and use of thermochemical
7 process technologies to produce alternative chemical feedstocks;

8 (7) study the feasibility and economic development of
9 the requirements for pipeline-quality, renewable natural gas; and

10 (8) perform other advisory duties as requested by the
11 commissioner regarding the responsible development of bioenergy
12 resources in this state.

13 SECTION 1.15. Section 203.021(e), Labor Code, is amended to
14 read as follows:

15 (e) Money in the compensation fund may not be transferred to
16 the[+]

17 [~~(1)~~] Texas Enterprise Fund created under Section
18 481.078, Government Code[+~~or~~

19 [~~(2)~~ Texas emerging technology fund established under
20 Section 490.101, Government Code].

21 SECTION 1.16. The following laws are repealed:

22 (1) Sections 490.001(1), (3), and (5), Government
23 Code;

24 (2) Sections 490.002 and 490.003, Government Code;

25 (3) Sections 490.051, 490.052, 490.0521, 490.053,
26 490.054, 490.055, and 490.056, Government Code; and

27 (4) Subchapters C, D, E, F, and G, Chapter 490,

1 Government Code.

2 SECTION 1.17. (a) On September 1, 2015, the Texas emerging
3 technology fund is abolished and, except as provided by Subsections
4 (c) and (d) of this section, the comptroller shall transfer the
5 unencumbered balance of the fund as follows:

6 (1) 50 percent of the balance to the credit of the
7 Texas Research Incentive Program (TRIP) under Subchapter F, Chapter
8 62, Education Code; and

9 (2) 50 percent of the balance to the credit of the
10 skills development fund program under Chapter 303, Labor Code.

11 (b) The abolishment by this article of the Texas emerging
12 technology fund and the repeal of provisions of Chapter 490,
13 Government Code, relating to that fund do not affect the validity of
14 an agreement between the governor and an award recipient or a person
15 to be awarded money that is entered into under Chapter 490 before
16 September 1, 2015.

17 (c) Money that was deposited in the Texas emerging
18 technology fund as a gift, grant, or donation under Chapter 490,
19 Government Code, and that is encumbered by the specific terms of the
20 gift, grant, or donation may be spent only in accordance with the
21 terms of the gift, grant, or donation.

22 (d) Money from the Texas emerging technology fund that is
23 encumbered because the money is awarded or otherwise obligated by
24 agreement before September 1, 2015, but under the terms of the award
25 or agreement will not be distributed until a later date shall be
26 distributed in accordance with the terms of the award or agreement.
27 If the governor determines that the money will not be distributed in

1 accordance with the terms of the award or agreement, the governor
2 shall certify that fact to the comptroller. On that certification,
3 the comptroller shall make that money available in the general
4 revenue fund to be used in accordance with legislative
5 appropriation.

6 (e) On or after the effective date of this Act, subject to
7 any amounts used to recover costs under Section 404.1031(b),
8 Government Code, as added by this article, the following payments
9 or other amounts shall be sent to the comptroller for deposit to the
10 general revenue fund:

11 (1) any royalties, revenues, and other financial
12 benefits realized from a project undertaken with money from the
13 Texas emerging technology fund, as provided by a contract described
14 by former Section 490.103, Government Code;

15 (2) any interest or proceeds received as a result of a
16 transaction authorized by former Section 490.101(h), Government
17 Code;

18 (3) any money returned or repaid to the state by an
19 award recipient pursuant to an agreement entered into under former
20 Section 490.101, Government Code;

21 (4) any money derived from an interest the state
22 retained in a capital improvement pursuant to an agreement entered
23 into under former Section 490.101, Government Code; and

24 (5) any fund money returned by an entity that fails to
25 perform an action guaranteed by a contract entered into under
26 former Section 490.154 or 490.203, Government Code.

27 SECTION 1.18. A regional center of innovation and

1 commercialization established under Section 490.152, Government
2 Code, is abolished on the effective date of this Act. Each center
3 shall transfer to the office of the governor a copy of any meeting
4 minutes required to be retained under Section 490.1521, Government
5 Code, as that section existed immediately before that section's
6 repeal by this article, and the office shall retain the minutes for
7 the period prescribed by that section.

8 SECTION 1.19. On September 1, 2015, the Texas Emerging
9 Technology Advisory Committee established under Subchapter B,
10 Chapter 490, Government Code, is abolished.

11 SECTION 1.20. Except as provided by this Act, on September
12 1, 2015, the following powers, duties, functions, and activities
13 performed by the office of the governor immediately before that
14 date are transferred to the Texas Treasury Safekeeping Trust
15 Company:

16 (1) all powers, duties, functions, and activities
17 related to equity positions in the form of stock or other security
18 the governor has taken, on behalf of the state, in companies that
19 received awards under the Texas emerging technology fund before
20 September 1, 2015; and

21 (2) all powers, duties, functions, and activities
22 related to other investments made by the governor, on behalf of the
23 state, in connection with an award made under the Texas emerging
24 technology fund before September 1, 2015.

25 SECTION 1.21. If a conflict exists between this Act and
26 another Act of the 84th Legislature, Regular Session, 2015, that
27 relates to the Texas emerging technology fund, this Act controls

1 without regard to the relative dates of enactment.

2 ARTICLE 2. ECONOMIC INCENTIVE OVERSIGHT BOARD

3 SECTION 2.01. Subtitle F, Title 4, Government Code, is
4 amended by adding Chapter 490G to read as follows:

5 CHAPTER 490G. ECONOMIC INCENTIVE OVERSIGHT BOARD

6 Sec. 490G.001. DEFINITIONS. In this chapter:

7 (1) "Board" means the Economic Incentive Oversight
8 Board.

9 (2) "Monetary incentive" means a grant, loan, or other
10 form of monetary incentive paid from state revenues, including a
11 state trust fund, that a business entity or other person may receive
12 in exchange for or as a result of conducting an activity with an
13 economic development purpose.

14 (3) "Tax incentive" means any exemption, deduction,
15 credit, exclusion, waiver, rebate, discount, deferral, or other
16 abatement or reduction of state tax liability of a business entity
17 or other person that the person may receive in exchange for or as a
18 result of conducting an activity with an economic development
19 purpose.

20 Sec. 490G.002. ESTABLISHMENT AND COMPOSITION. (a) The
21 Economic Incentive Oversight Board is an advisory body composed of
22 nine members as follows:

23 (1) three public members appointed by the speaker of
24 the house of representatives, one of whom must be from a rural
25 county;

26 (2) three public members appointed by the lieutenant
27 governor, one of whom must be from a rural county;

1 (3) two public members appointed by the comptroller;

2 and

3 (4) one public member appointed by the governor.

4 (b) A member of the board serves at the pleasure of the
5 appointing officer.

6 (c) The board members are entitled to reimbursement for
7 actual and necessary expenses incurred by the members in serving on
8 the board as provided by Chapter 660 and the General Appropriations
9 Act.

10 (d) The office of the governor shall provide administrative
11 support and staff to the board.

12 Sec. 490G.003. PRESIDING OFFICER. The governor shall
13 appoint the presiding officer of the board.

14 Sec. 490G.004. MEETINGS. The board shall meet at least
15 quarterly at the call of the presiding officer.

16 Sec. 490G.005. EVALUATION AND RECOMMENDATION FOR APPROVAL
17 OR DISAPPROVAL OF CERTAIN INCENTIVES. (a) The board shall:

18 (1) evaluate each application for a state monetary or
19 tax incentive of more than \$4 million to be awarded from a program
20 or fund administered by the office of the governor or the
21 comptroller;

22 (2) determine whether the board will recommend the
23 approval or disapproval of the award of the incentive to the
24 applicant; and

25 (3) submit a written recommendation for the approval
26 or disapproval of the award of the incentive to the governor,
27 lieutenant governor, or speaker of the house of representatives

1 and, if the application is for an incentive from a program or fund
2 administered by the comptroller, to the comptroller.

3 (b) Notwithstanding any other law, before awarding a
4 monetary or tax incentive under an application described by
5 Subsection (a)(1), the governor or comptroller shall:

6 (1) make the application available to the board for
7 purposes of this section; and

8 (2) consider the board's recommendation concerning
9 approval of the award.

10 Sec. 490G.006. REVIEW OF CERTAIN STATE INCENTIVE PROGRAMS;
11 PERFORMANCE MATRIX. (a) The board shall examine the effectiveness
12 of programs and funds administered by the office of the governor or
13 the comptroller that provide state monetary or tax incentives to
14 business entities and other persons.

15 (b) The board shall develop a performance matrix that
16 clearly establishes the economic performance indicators, measures,
17 and metrics that will guide the board's evaluations of those
18 programs and funds.

19 (c) The performance matrix must be designed to evaluate, in
20 relation to each business entity or other person that receives a
21 monetary or tax incentive under a program or from a fund described
22 by Subsection (a), the benefits and costs to this state, local
23 governments, and residents of this state that result directly from
24 the economic development activity for which the person received the
25 incentive and indirectly from activities ancillary to that economic
26 development activity.

27 Sec. 490G.007. SCHEDULE OF REVIEW. The board shall develop

1 a schedule for the periodic review of each state incentive program
2 described by Section 490G.006 for the purposes of making
3 recommendations on whether to continue the program or whether to
4 improve program effectiveness. The board shall review and make
5 recommendations to the legislature regarding each program
6 according to the review schedule.

7 Sec. 490G.008. CONFLICTS OF INTEREST. (a) A member of the
8 board who has a substantial interest in a business entity or other
9 person that applies for or receives a state monetary or tax
10 incentive from a program or fund subject to review by the board
11 shall disclose that interest in writing to the board.

12 (b) A board member who has a business, commercial, or other
13 relationship, other than an interest described by Subsection (a),
14 that could reasonably be expected to diminish the person's
15 independence of judgment in the performance of the person's
16 responsibilities in relation to the board shall disclose the
17 relationship in writing to the board.

18 (c) A member of the board may not make a political
19 contribution to the governor, the comptroller, the lieutenant
20 governor, or the speaker of the house of representatives or to a
21 candidate for election or selection to any of those offices.

22 Sec. 490G.009. CONFIDENTIALITY OF INFORMATION. The
23 provision of information that is confidential by law to the board
24 does not affect the confidentiality of the information.

25 SECTION 2.02. As soon as practicable after the effective
26 date of this Act, the appointing officials shall appoint members to
27 the Economic Incentive Oversight Board established under Chapter

1 490G, Government Code, as added by this article.

2 ARTICLE 3. AUDIT OF ECONOMIC DEVELOPMENT PROGRAMS

3 SECTION 3.01. Chapter 321, Government Code, is amended by
4 adding Section 321.0139 to read as follows:

5 Sec. 321.0139. AUDIT OF CERTAIN ECONOMIC DEVELOPMENT
6 PROGRAMS AND FUNDS. (a) Beginning September 1, 2015, once every 12
7 years the state auditor shall conduct an audit of each of the
8 following:

9 (1) the rural economic development and investment
10 program established under Section 12.0271, Agriculture Code; and

11 (2) the young farmer grant program under Subchapter G,
12 Chapter 58, Agriculture Code.

13 (b) Beginning September 1, 2017, once every 12 years the
14 state auditor shall conduct an audit of each of the following:

15 (1) the agricultural biomass and landfill diversion
16 incentive program established under Chapter 22, Agriculture Code;

17 (2) the defense economic adjustment assistance grant
18 program;

19 (3) the agricultural loan guarantee program
20 established under Subchapter E, Chapter 58, Agriculture Code;

21 (4) the young farmer interest rate reduction program
22 established under Subchapter F, Chapter 58, Agriculture Code; and

23 (5) the interest rate reduction program established
24 under Section 44.007, Agriculture Code.

25 (c) Beginning September 1, 2019, once every 12 years the
26 state auditor shall conduct an audit of each of the following:

27 (1) the rural investment fund program under Section

1 12.046, Agriculture Code;

2 (2) the moving image industry incentive program under
3 Subchapter B, Chapter 485; and

4 (3) the certified capital company program established
5 under Chapter 228, Insurance Code.

6 (d) Beginning September 1, 2021, once every 12 years the
7 state auditor shall conduct an audit of each of the following:

8 (1) the program to provide grants of money from the
9 Texas Enterprise Fund under Section 481.078;

10 (2) the program to provide disbursements from events
11 trust funds established under Section 5C, Chapter 1507 (S.B. 456),
12 Acts of the 76th Legislature, Regular Session, 1999 (Article
13 5190.14, Vernon's Texas Civil Statutes), for event support
14 contracts; and

15 (3) the program to provide disbursements from Major
16 Events reimbursement program funds established under Section 5A,
17 Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular
18 Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), for
19 game support contracts or event support contracts.

20 (e) Beginning September 1, 2023, once every 12 years the
21 state auditor shall conduct an audit of each of the following:

22 (1) the program to provide disbursements from motor
23 sports racing trust funds established under Section 5B, Chapter
24 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session,
25 1999 (Article 5190.14, Vernon's Texas Civil Statutes), for motor
26 sports racing events support contracts or event support contracts;

27 (2) the program to provide disbursements from special

1 event trust funds established under Section 398.007, Local
2 Government Code; and

3 (3) the skills development fund program established
4 under Chapter 303, Labor Code.

5 (f) The state auditor may establish the scope of an audit
6 and the objectives for an audit conducted under this section that
7 are consistent with generally accepted government auditing
8 standards and with other audits conducted by the state auditor
9 under this chapter.

10 (g) To the extent practicable, the state auditor may assess
11 the efficiency and effectiveness of the program or fund subject to
12 an audit under this section.

13 (h) The state auditor shall prepare a report of each audit
14 conducted under this section. Not later than the second anniversary
15 of the date on which an audit required to be conducted under this
16 section is scheduled to begin, the state auditor shall file the
17 report with the lieutenant governor, the speaker of the house of
18 representatives, and the presiding officer of each standing
19 committee of the senate and house of representatives with primary
20 jurisdiction over economic development.

21 (i) The scheduling of the audits specified by this section
22 is subject to a risk assessment in accordance with Chapter 321 and
23 to inclusion in the annual audit plan under Section 321.013(c). If
24 the state auditor determines that an exception to the schedule
25 specified by this section is warranted, the state auditor shall
26 notify the Legislative Audit Committee and each standing committee
27 of the senate and house of representatives with primary

1 jurisdiction over economic development of the reasons for the
2 exception.

3 ARTICLE 4. ONLINE INFORMATION AND APPLICATION SYSTEM FOR
4 STATE INCENTIVES

5 SECTION 4.01. Subtitle G, Title 10, Government Code, is
6 amended by adding Chapter 2301 to read as follows:

7 CHAPTER 2301. ELECTRONIC ECONOMIC DEVELOPMENT INCENTIVES
8 INFORMATION AND APPLICATION SYSTEM

9 Sec. 2301.001. DEFINITIONS. In this chapter:

10 (1) "Department," "electronic government project,"
11 and "state electronic Internet portal" have the meanings assigned
12 by Section 2054.003.

13 (2) "Monetary incentive" means a grant, loan, or other
14 form of monetary incentive paid from state revenues, including a
15 state trust fund, that a business entity or other person may receive
16 in exchange for or as a result of conducting an activity with an
17 economic development purpose.

18 (3) "State agency" means a department, commission,
19 board, office, council, authority, or other state agency in the
20 executive branch of state government.

21 (4) "Tax incentive" means any exemption, deduction,
22 credit, exclusion, waiver, rebate, discount, deferral, or other
23 abatement or reduction of state tax liability of a business entity
24 or other person that the person may receive in exchange for or as a
25 result of conducting an activity with an economic development
26 purpose.

27 Sec. 2301.002. ESTABLISHMENT OF PROJECT. The department

1 shall establish an electronic government project to develop an
2 Internet website accessible through the state electronic Internet
3 portal that:

4 (1) provides a single location that a business entity
5 considering relocating to or expanding in this state may use to
6 receive information relating to state monetary and tax incentives
7 for which the entity may be qualified;

8 (2) includes an interactive tool that allows a
9 business entity to:

10 (A) determine whether the entity may be eligible
11 for any state monetary or tax incentive in this state; and

12 (B) receive an estimate of the state monetary and
13 tax incentives for which the entity may be eligible;

14 (3) allows, when feasible, the business entity to fill
15 out one application for all state monetary and tax incentives for
16 which the entity may be eligible; and

17 (4) allows, when feasible, for the application to be
18 submitted to each state agency that offers the monetary or tax
19 incentive for which the business entity may be eligible.

20 Sec. 2301.003. ESTABLISHING AND OPERATING PROJECT;
21 COORDINATION. In establishing and operating the electronic
22 government project under this chapter, the department, in
23 coordination with the Texas Economic Development and Tourism Office
24 and the comptroller, shall direct, coordinate, and assist state
25 agencies in establishing and using:

26 (1) a common electronic application and reporting
27 system, including:

1 (A) a standard format for announcing monetary and
2 tax incentive opportunities;

3 (B) standard data elements for use in creating
4 monetary and tax incentive opportunity announcement summaries,
5 including existing monetary and tax incentives and search
6 functions; and

7 (C) a common application form for a person to use
8 in applying for a monetary or tax incentive from multiple state
9 agencies; and

10 (2) a process for:

11 (A) improving interagency coordination of
12 information collection and sharing of data relating to monetary and
13 tax incentives; and

14 (B) improving the timeliness, completeness, and
15 quality of applications received by a state agency for monetary and
16 tax incentives.

17 ARTICLE 5. PROGRAMS AND FUNDS ADMINISTERED BY TEXAS ECONOMIC
18 DEVELOPMENT BANK

19 SECTION 5.01. The following laws are repealed:

- 20 (1) Subchapter N, Chapter 481, Government Code;
- 21 (2) Subchapter BB, Chapter 481, Government Code;
- 22 (3) Subchapter D, Chapter 489, Government Code; and
- 23 (4) Chapter 503, Local Government Code.

24 SECTION 5.02. Section [447.013\(i\)](#), Government Code, is
25 amended to read as follows:

26 (i) A recipient of a grant or loan under this section is
27 encouraged to purchase goods and services from small businesses and

1 historically underutilized businesses, as those terms are defined
2 by former Section 481.191, as that section existed on January 1,
3 2015 [~~Government Code~~].

4 SECTION 5.03. Section 489.105(b), Government Code, is
5 amended to read as follows:

6 (b) The fund consists of:

7 (1) appropriations for the implementation and
8 administration of this chapter;

9 (2) [~~investment earnings under the capital access fund~~
10 ~~established under Section 481.402,~~

11 [~~(3) fees charged under Subchapter BB, Chapter 481,~~

12 [~~(4)~~] interest earned on the investment of money in
13 the fund;

14 (3) [(5)] fees charged under this chapter;

15 (4) [(6)] investment earnings from the programs
16 administered by the bank;

17 (5) [(7)] amounts transferred under Section
18 2303.504(b), as amended by Article 2, Chapter 1134, Acts of the 77th
19 Legislature, Regular Session, 2001; and

20 (6) [(8) ~~investment earnings under the Texas product~~
21 ~~development fund under Section 489.211,~~

22 [(9) ~~investment earnings under the Texas small~~
23 ~~business incubator fund under Section 489.212,~~ and

24 [(10)] any other amounts received by the state under
25 this chapter.

26 SECTION 5.04. Section 489.108, Government Code, is amended
27 to read as follows:

1 Sec. 489.108. PROGRAMS, SERVICES, AND FUNDS UNDER BANK'S
2 DIRECTION. Notwithstanding any other law, the bank shall perform
3 the duties and functions of the office with respect to the following
4 programs, services, and funds:

5 (1) [~~the Texas Small Business Industrial Development~~
6 ~~Corporation established under Chapter 503, Local Government Code,~~

7 [~~(2) the capital access program established under~~
8 ~~Section 481.405,~~

9 [~~(3)~~] the Texas leverage fund;

10 (2) [~~(4) the linked deposit program established under~~
11 ~~Section 481.193,~~

12 [~~(5)~~] the enterprise zone program established under
13 Chapter 2303;

14 (3) [~~(6)~~] the industrial revenue bond program;

15 (4) [~~(7)~~] the defense economic readjustment zone
16 program established under Chapter 2310;

17 (5) [~~(8)~~] the Empowerment Zone and Enterprise
18 Community grant program established under Section 481.025; and

19 (6) [~~(9)~~] the renewal community program.

20 SECTION 5.05. Section 39.909(a), Utilities Code, is amended
21 to read as follows:

22 (a) In this section, "small business" and "historically
23 underutilized business" have the meanings assigned by former
24 Section 481.191, Government Code, as that section existed on
25 January 1, 2015.

26 SECTION 5.06. Section 52.256(a), Utilities Code, is amended
27 to read as follows:

1 (a) In this section, "small business" and "historically
2 underutilized business" have the meanings assigned by former
3 Section 481.191, Government Code, as that section existed on
4 January 1, 2015.

5 SECTION 5.07. (a) The Texas Economic Development Bank shall
6 reject any application for a linked deposit loan submitted to the
7 bank before the effective date of this Act for which a linked
8 deposit has not been made in accordance with Subchapter N, Chapter
9 481, Government Code, as that subchapter existed immediately before
10 being repealed by this article.

11 (b) Notwithstanding the repeal by this article of
12 Subchapter N, Chapter 481, Government Code, Subchapter N is
13 continued in effect for the limited purpose of allowing the Texas
14 Economic Development Bank to administer linked deposits made before
15 the effective date of this Act and to pursue the bank's remedies
16 under that subchapter if:

17 (1) a recipient of a loan to which a deposit is linked
18 defaults on the loan; or

19 (2) a lending institution that makes a loan for which a
20 linked deposit is made fails to comply with that subchapter.

21 SECTION 5.08. On the effective date of this Act the Texas
22 Economic Development Bank shall allocate any unencumbered balance
23 of the capital access fund to programs administered by the bank
24 under Section 489.108, Government Code, as amended by this article.

25 SECTION 5.09. (a) Notwithstanding the repeal by this
26 article of Subchapter D, Chapter 489, Government Code, Subchapter D
27 is continued in effect for the limited purpose of allowing the Texas

1 Economic Development Bank to:

2 (1) administer any outstanding loans entered into
3 under that subchapter before the effective date of this Act; and

4 (2) satisfy any bond obligations or pay any other
5 obligations, contractual or otherwise, incurred under that
6 subchapter before the effective date of this Act.

7 (b) After all the obligations described by Subsection
8 (a)(2) of this section have been paid or satisfied, the Texas
9 Economic Development Bank shall allocate any remaining balances of
10 the Texas product development fund and the Texas small business
11 incubator fund to programs administered by the bank under Section
12 [489.108](#), Government Code, as amended by this article.

13 SECTION 5.10. As soon as practicable after the effective
14 date of this Act, the Texas Economic Development Bank shall send to
15 the comptroller for deposit in the general revenue fund any revenue
16 or other money of the Texas Small Business Industrial Development
17 Corporation held in financial institutions as provided by Section
18 [503.055](#), Local Government Code, as that section existed immediately
19 before that section's repeal by this article.

20 ARTICLE 6. RENAMING OF MAJOR EVENTS TRUST FUND

21 SECTION 6.01. The heading to Section 5A, Chapter 1507 (S.B.
22 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
23 [5190.14](#), Vernon's Texas Civil Statutes), is amended to read as
24 follows:

25 Sec. 5A. PAYMENT OF STATE AND MUNICIPAL OR COUNTY
26 OBLIGATIONS UNDER[+] MAJOR EVENTS REIMBURSEMENT PROGRAM [~~TRUST~~
27 ~~FUND~~].

1 SECTION 6.02. Sections 5A(a-1), (d), (d-1), (e), (f), (g),
2 (h), (j), (k), (l), (m), (w), and (y), Chapter 1507 (S.B. 456), Acts
3 of the 76th Legislature, Regular Session, 1999 (Article 5190.14,
4 Vernon's Texas Civil Statutes), are amended to read as follows:

5 (a-1) An event not listed in Subsection (a)(4) of this
6 section is ineligible for funding under this section. A listed
7 event may receive funding through the Major Events Reimbursement
8 Program under this section only if:

9 (1) a site selection organization selects a site
10 located in this state for the event to be held one time or, for an
11 event scheduled to be held each year for a period of years under an
12 event contract, or an event support contract, one time each year for
13 the period of years, after considering, through a highly
14 competitive selection process, one or more sites that are not
15 located in this state;

16 (2) a site selection organization selects a site in
17 this state as:

18 (A) the sole site for the event; or

19 (B) the sole site for the event in a region
20 composed of this state and one or more adjoining states;

21 (3) the event is held not more than one time in any
22 year; and

23 (4) the amount of the incremental increase in tax
24 receipts determined by the comptroller under Subsection (b) of this
25 section equals or exceeds \$1 million, provided that for an event
26 scheduled to be held each year for a period of years under an event
27 contract or event support contract, the incremental increase in tax

1 receipts shall be calculated as if the event did not occur in the
2 prior year.

3 (d) Each endorsing municipality or endorsing county
4 participating in the Major Events Reimbursement Program shall remit
5 to the comptroller and the comptroller shall deposit into a trust
6 fund created by the comptroller and designated as the Major Events
7 reimbursement program [~~trust~~] fund the amount of the municipality's
8 or county's hotel occupancy tax revenue determined under Subsection
9 (b)(4) or (b)(5) of this section, less any amount of the revenue
10 that the municipality or county determines is necessary to meet the
11 obligations of the municipality or county. The comptroller shall
12 retain the amount of sales and use tax revenue and mixed beverage
13 tax revenue determined under Subsection (b)(2) or (b)(3) of this
14 section from the amounts otherwise required to be sent to the
15 municipality under Sections 321.502 and 183.051(b), Tax Code, or to
16 the county under Sections 323.502 and 183.051(b), Tax Code, and
17 deposit into the [~~trust~~] fund the tax revenues, less any amount of
18 the revenue that the municipality or county determines is necessary
19 to meet the obligations of the municipality or county. The
20 comptroller shall begin retaining and depositing the local tax
21 revenues with the first distribution of that tax revenue that
22 occurs after the first day of the one-year period described by
23 Subsection (b) of this section or at a time otherwise determined to
24 be practicable by the comptroller and shall discontinue retaining
25 the local tax revenues under this subsection when the amount of the
26 applicable tax revenue determined under Subsection (b)(2) or (b)(3)
27 of this section has been retained. The Major Events reimbursement

1 program [~~trust~~] fund is established outside the state treasury and
2 is held in trust by the comptroller for administration of this
3 Act. Money in the [~~trust~~] fund may be disbursed by the comptroller
4 without appropriation only as provided by this section.

5 (d-1) Not later than the 90th day after the last day of an
6 event eligible for funding under the Major Events Reimbursement
7 Program and in lieu of the local tax revenues remitted to or
8 retained by the comptroller under Subsection (d) of this section, a
9 municipality or county may remit to the comptroller for deposit in
10 the Major Events reimbursement program [~~trust~~] fund other local
11 funds in an amount equal to the total amount of local tax revenue
12 determined under Subsections (b)(2) through (5) of this
13 section. The amount deposited by the comptroller into the Major
14 Events reimbursement program [~~trust~~] fund under this subsection is
15 subject to Subsection (f) of this section.

16 (e) In addition to the tax revenue deposited in the Major
17 Events reimbursement program [~~trust~~] fund under Subsection (d) of
18 this section, an endorsing municipality or endorsing county may
19 guarantee its obligations under an event support contract and this
20 section by pledging surcharges from user fees, including parking or
21 ticket fees, charged in connection with the event. An endorsing
22 municipality or endorsing county may collect and remit to the
23 comptroller surcharges and user fees attributable to the event for
24 deposit into the Major Events reimbursement program [~~trust~~] fund.

25 (f) The comptroller shall deposit into the Major Events
26 reimbursement program [~~trust~~] fund a portion of the state tax
27 revenue not to exceed the amount determined under Subsection (b)(1)

1 of this section in an amount equal to 6.25 times the amount of the
2 local revenue retained or remitted under this section, including:

- 3 (1) local sales and use tax revenue;
- 4 (2) mixed beverage tax revenue;
- 5 (3) hotel occupancy tax revenue; and
- 6 (4) surcharge and user fee revenue.

7 (g) To meet its obligations under a game support contract or
8 event support contract to improve, construct, renovate, or acquire
9 facilities or to acquire equipment, an endorsing municipality by
10 ordinance or an endorsing county by order may authorize the
11 issuance of notes. An endorsing municipality or endorsing county
12 may provide that the notes be paid from and secured by amounts on
13 deposit or amounts to be deposited into the Major Events
14 reimbursement program [~~trust~~] fund or surcharges from user fees,
15 including parking or ticket fees, charged in connection with the
16 event. Any note issued must mature not later than seven years from
17 its date of issuance.

18 (h) The funds in the Major Events reimbursement program
19 [~~trust~~] fund may be used to pay the principal of and interest on
20 notes issued by an endorsing municipality or endorsing county under
21 Subsection (g) of this section and to fulfill obligations of the
22 state or an endorsing municipality or endorsing county to a site
23 selection organization under a game support contract or event
24 support contract. Subject to Subsection (k) of this section, the
25 obligations may include the payment of costs relating to the
26 preparations necessary or desirable for the conduct of the event
27 and the payment of costs of conducting the event, including

1 improvements or renovations to existing facilities or other
2 facilities and costs of acquisition or construction of new
3 facilities or other facilities.

4 (j) Not later than the 30th day after the date a request of a
5 local organizing committee, endorsing municipality, or endorsing
6 county is submitted to the comptroller under Subsection (b-1) of
7 this section, the comptroller shall provide an estimate of the
8 total amount of tax revenue that would be deposited in the Major
9 Events reimbursement program [~~trust~~] fund under this section in
10 connection with that event, if the event were to be held in this
11 state at a site selected pursuant to an application by a local
12 organizing committee, endorsing municipality, or endorsing
13 county. A local organizing committee, endorsing municipality, or
14 endorsing county may submit the comptroller's estimate to a site
15 selection organization.

16 (k) The comptroller may make a disbursement from the Major
17 Events reimbursement program [~~trust~~] fund on the prior approval of
18 each contributing endorsing municipality or endorsing county for a
19 purpose for which a local organizing committee, an endorsing
20 municipality, or an endorsing county or the state is obligated
21 under a game support contract or event support contract. If an
22 obligation is incurred under a games support contract or event
23 support contract to make a structural improvement to the site or to
24 add a fixture to the site for purposes of an event and that
25 improvement or fixture is expected to derive most of its value in
26 subsequent uses of the site for future events, a disbursement from
27 the [~~trust~~] fund made for purposes of that obligation is limited to

1 five percent of the cost of the improvement or fixture and the
2 remainder of the obligation is not eligible for a disbursement from
3 the [~~trust~~] fund, unless the improvement or fixture is for a
4 publicly owned facility. In considering whether to make a
5 disbursement from the [~~trust~~] fund, the comptroller may not
6 consider a contingency clause in an event support contract as
7 relieving a local organizing committee's, endorsing
8 municipality's, or endorsing county's obligation to pay a cost
9 under the contract. A disbursement may not be made from the
10 [~~trust~~] fund that the comptroller determines would be used for the
11 purpose of soliciting the relocation of a professional sports
12 franchise located in this state.

13 (l) If a disbursement is made from the Major Events
14 reimbursement program [~~trust~~] fund under Subsection (k), the
15 obligation shall be satisfied proportionately from the state and
16 local revenue in the [~~trust~~] fund.

17 (m) On payment of all state, municipal, or county
18 obligations under a game support contract or event support contract
19 related to the location of any particular event in the state, the
20 comptroller shall remit to each endorsing entity, in proportion to
21 the amount contributed by the entity, any money remaining in the
22 [~~trust~~] fund.

23 (w) Not later than 10 months after the last day of an event
24 eligible for disbursements from the Major Events reimbursement
25 program [~~trust~~] fund for costs associated with the event, the
26 comptroller using existing resources shall complete a study in the
27 market area of the event on the measurable economic impact directly

1 attributable to the preparation for and presentation of the event
2 and related activities. The comptroller shall post on the
3 comptroller's Internet website:

4 (1) the results of the study conducted under this
5 subsection, including any source documentation or other
6 information relied on by the comptroller for the study;

7 (2) the amount of incremental increase in tax receipts
8 for the event determined under Subsection (b) of this section;

9 (3) the site selection organization documentation
10 described in Subsection (p)(3) of this section;

11 (4) any source documentation or information described
12 under Subsection (i) of this section that was relied on by the
13 comptroller in making the determination of the amount of
14 incremental increase in tax receipts under Subsection (b) of this
15 section; and

16 (5) documentation verifying that:

17 (A) a request submitted by a local organizing
18 committee, endorsing municipality, or endorsing county under
19 Subsection (p) of this section is complete and certified as such by
20 the comptroller;

21 (B) the determination on the amount of
22 incremental increases in tax receipts under Subsection (b) of this
23 section considered the information submitted by a local organizing
24 committee, endorsing municipality, or endorsing county as required
25 under Subsection (b-1) of this section; and

26 (C) each deadline established under this section
27 was timely met.

1 (y) After the conclusion of an event, the comptroller shall
2 compare information on the actual attendance figures provided to
3 the comptroller under Subsection (i) of this section with the
4 estimated attendance numbers used to determine the incremental
5 increase in tax receipts under Subsection (b) of this section. If
6 the actual attendance figures are significantly lower than the
7 estimated attendance numbers, the comptroller may reduce the amount
8 of a disbursement for an endorsing entity under the Major Events
9 reimbursement program [~~trust~~] fund in proportion to the discrepancy
10 between the actual and estimated attendance and in proportion to
11 the amount contributed to the fund by the entity. The comptroller
12 by rule shall define "significantly lower" for purposes of this
13 subsection and provide the manner in which a disbursement may be
14 proportionately reduced. This subsection does not affect the
15 remittance of any money remaining in the fund in accordance with
16 Subsection (m) of this section.

17 ARTICLE 7. EFFECTIVE DATE

18 SECTION 7.01. Except as otherwise provided by this Act,
19 this Act takes effect September 1, 2015.