

1-1 By: Button, et al. (Senate Sponsor - Fraser) H.B. No. 26
1-2 (In the Senate - Received from the House May 4, 2015;
1-3 May 5, 2015, read first time and referred to Committee on Natural
1-4 Resources and Economic Development; May 22, 2015, reported
1-5 adversely, with favorable Committee Substitute by the following
1-6 vote: Yeas 11, Nays 0; May 22, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 26 By: Fraser

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to state economic development measures, including
1-24 abolishment of the Texas emerging technology fund, creation of the
1-25 governor's university research initiative, and the administration
1-26 of programs to support certain events.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 ARTICLE 1. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE; ABOLISHMENT
1-29 OF TEXAS EMERGING TECHNOLOGY FUND

1-30 SECTION 1.01. Chapter 62, Education Code, is amended by
1-31 adding Subchapter H to read as follows:

1-32 SUBCHAPTER H. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE

1-33 Sec. 62.161. DEFINITIONS. In this subchapter:

1-34 (1) "Distinguished researcher" means a researcher who
1-35 is:

1-36 (A) a Nobel laureate; or

1-37 (B) a member of the National Academy of Sciences,
1-38 the National Academy of Engineering, or the Institute of Medicine.

1-39 (2) "Eligible institution" means a general academic
1-40 teaching institution or medical and dental unit.

1-41 (3) "Fund" means the governor's university research
1-42 initiative fund established under this subchapter.

1-43 (4) "General academic teaching institution" has the
1-44 meaning assigned by Section 61.003.

1-45 (5) "Medical and dental unit" has the meaning assigned
1-46 by Section 61.003.

1-47 (6) "Office" means the Texas Economic Development and
1-48 Tourism Office within the office of the governor.

1-49 (7) "Private or independent institution of higher
1-50 education" has the meaning assigned by Section 61.003.

1-51 Sec. 62.162. ADMINISTRATION OF INITIATIVE. (a) The
1-52 governor's university research initiative is administered by the
1-53 Texas Economic Development and Tourism Office within the office of
1-54 the governor.

1-55 (b) The office may adopt any rules the office considers
1-56 necessary to administer this subchapter.

1-57 Sec. 62.163. MATCHING GRANTS TO RECRUIT DISTINGUISHED
1-58 RESEARCHERS. (a) From the governor's university research
1-59 initiative fund, the office shall award matching grants to assist
1-60 eligible institutions in recruiting distinguished researchers.

2-1 (b) An eligible institution may apply to the office for a
 2-2 matching grant from the fund. If the office approves a grant
 2-3 application, the office shall award to the applicant institution a
 2-4 grant amount equal to the amount committed by the institution for
 2-5 the recruitment of a distinguished researcher.

2-6 (c) A grant application must identify the source and amount
 2-7 of the eligible institution's matching funds and must demonstrate
 2-8 that the proposed use of the grant has the support of the
 2-9 institution's president and of the institution's governing board,
 2-10 the chair of the institution's governing board, or the chancellor
 2-11 of the university system, if the institution is a component of a
 2-12 university system. An applicant eligible institution may commit
 2-13 for matching purposes any funds of the institution available for
 2-14 that purpose other than appropriated general revenue.

2-15 (d) A matching grant may not be used by an eligible
 2-16 institution to recruit a distinguished researcher from:

2-17 (1) another eligible institution; or
 2-18 (2) a private or independent institution of higher
 2-19 education.

2-20 Sec. 62.164. GRANT AWARD CRITERIA; PRIORITIES. (a) In
 2-21 awarding grants, the office shall give priority to grant proposals
 2-22 that involve the recruitment of distinguished researchers in the
 2-23 fields of science, technology, engineering, mathematics, and
 2-24 medicine. With respect to proposals involving those fields, the
 2-25 office shall give priority to proposals that demonstrate a
 2-26 reasonable likelihood of contributing substantially to this
 2-27 state's national and global economic competitiveness.

2-28 (b) A grant proposal should identify a specific
 2-29 distinguished researcher being recruited.

2-30 Sec. 62.165. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE
 2-31 FUND. (a) The governor's university research initiative fund is a
 2-32 dedicated account in the general revenue fund.

2-33 (b) The fund consists of:
 2-34 (1) amounts appropriated or otherwise allocated or
 2-35 transferred by law to the fund;

2-36 (2) money deposited to the fund under Section 62.166
 2-37 of this subchapter or under Section 490.101(b-1) or 490.104,
 2-38 Government Code; and

2-39 (3) gifts, grants, and other donations received for
 2-40 the fund.

2-41 (c) The fund may be used by the office only for the purposes
 2-42 of this subchapter, including for necessary expenses incurred in
 2-43 the administration of the fund and this subchapter.

2-44 Sec. 62.166. WINDING UP OF CONTRACTS AND AWARDS IN
 2-45 CONNECTION WITH TEXAS EMERGING TECHNOLOGY FUND. (a) The
 2-46 governor's university research initiative is the successor to the
 2-47 Texas emerging technology fund. Awards from the Texas emerging
 2-48 technology fund shall be wound up in accordance with this section
 2-49 and Section 490.104, Government Code, and contracts governing
 2-50 awards from that fund shall be wound up in accordance with this
 2-51 section.

2-52 (b) If a contract governing an award from the Texas emerging
 2-53 technology fund provides for the distribution of royalties,
 2-54 revenue, or other financial benefits to the state, including
 2-55 royalties, revenue, or other financial benefits realized from the
 2-56 commercialization of intellectual or real property developed from
 2-57 an award from the fund, those royalties, revenues, or other
 2-58 financial benefits shall continue to be distributed in accordance
 2-59 with the terms of the contract unless the award recipient and the
 2-60 governor agree otherwise. Unless otherwise required by law,
 2-61 royalties, revenue, or other financial benefits accruing to the
 2-62 state under a contract described by this subsection, including any
 2-63 money returned or repaid to the state by an award recipient, shall
 2-64 be credited to the governor's university research initiative fund.

2-65 (c) If money awarded from the Texas emerging technology fund
 2-66 is encumbered by a contract executed before September 1, 2015, but
 2-67 has not been distributed before that date, the money shall be
 2-68 distributed from the governor's university research initiative
 2-69 fund in accordance with the terms of the contract, unless the award

3-1 recipient and the governor agree otherwise.

3-2 (d) Except for an obligation regarding the distribution of
 3-3 royalties, revenue, or other financial benefits to the state as
 3-4 provided by Subsection (b), if money awarded from the Texas
 3-5 emerging technology fund under a contract executed before September
 3-6 1, 2015, has been fully distributed and the entity that received the
 3-7 award has fully performed all specific actions under the terms of
 3-8 the contract governing the award, the entity is considered to have
 3-9 fully satisfied the entity's obligations under the contract. The
 3-10 entity shall file with the office a final report showing the
 3-11 purposes for which the award money has been spent and, if award
 3-12 money remains unspent, the purposes for which the recipient will
 3-13 spend the remaining money.

3-14 Sec. 62.167. CONFIDENTIALITY OF INFORMATION CONCERNING
 3-15 AWARDS FROM TEXAS EMERGING TECHNOLOGY FUND. (a) Except as
 3-16 provided by Subsection (b), information collected under former
 3-17 provisions of Chapter 490, Government Code, concerning the
 3-18 identity, background, finance, marketing plans, trade secrets, or
 3-19 other commercially or academically sensitive information of an
 3-20 individual or entity that was considered for or received an award
 3-21 from the Texas emerging technology fund is confidential unless the
 3-22 individual or entity consents to disclosure of the information.

3-23 (b) The following information collected in connection with
 3-24 the Texas emerging technology fund is public information and may be
 3-25 disclosed under Chapter 552, Government Code:

3-26 (1) the name and address of an individual or entity
 3-27 that received an award from that fund;

3-28 (2) the amount of funding received by an award
 3-29 recipient;

3-30 (3) a brief description of the project funded under
 3-31 former provisions of Chapter 490, Government Code;

3-32 (4) if applicable, a brief description of the equity
 3-33 position that the governor, on behalf of the state, has taken in an
 3-34 entity that received an award from that fund; and

3-35 (5) any other information with the consent of:

3-36 (A) the governor;

3-37 (B) the lieutenant governor;

3-38 (C) the speaker of the house of representatives;

3-39 and

3-40 (D) the individual or entity that received an
 3-41 award from that fund, if the information relates to that individual
 3-42 or entity.

3-43 Sec. 62.168. REPORTING REQUIREMENT. (a) Before the
 3-44 beginning of each regular session of the legislature the governor
 3-45 shall submit to the lieutenant governor, the speaker of the house of
 3-46 representatives, and the standing committees of each house of the
 3-47 legislature with primary jurisdiction over economic development
 3-48 and higher education matters and post on the office of the
 3-49 governor's Internet website a report on matching grants made to
 3-50 eligible institutions from the fund that states:

3-51 (1) the total amount of matching funds granted by the
 3-52 office;

3-53 (2) the total amount of matching funds granted to each
 3-54 recipient institution;

3-55 (3) a brief description of each distinguished
 3-56 researcher recruited by each recipient institution, including any
 3-57 amount of external research funding that followed the distinguished
 3-58 researcher to the institution;

3-59 (4) a brief description of the expenditures made from
 3-60 the matching grant funds for each distinguished researcher; and

3-61 (5) when available, a brief description of each
 3-62 distinguished researcher's contribution to the state's economic
 3-63 competitiveness, including:

3-64 (A) any patents issued to the distinguished
 3-65 researcher after accepting employment by the recipient
 3-66 institution; and

3-67 (B) any external research funding, public or
 3-68 private, obtained by the distinguished researcher after accepting
 3-69 employment by the recipient institution.

4-1 (a-1) The report may not include information that is made
4-2 confidential by law.

4-3 (b) The governor may require an eligible institution that
4-4 receives a matching grant under this subchapter to submit, on a form
4-5 the governor provides, information required to complete the report.

4-6 SECTION 1.02. Subchapter C, Chapter 490, Government Code,
4-7 is amended by adding Section 490.104 to read as follows:

4-8 Sec. 490.104. MANAGEMENT OF INVESTMENT PORTFOLIO; WINDING
4-9 UP AND FINAL LIQUIDATION. (a) In this section, "state's emerging
4-10 technology investment portfolio" means:

4-11 (1) the equity positions in the form of stock or other
4-12 security the governor took, on behalf of the state, in companies
4-13 that received awards under the Texas emerging technology fund; and

4-14 (2) any other investments made by the governor, on
4-15 behalf of the state, and associated assets in connection with an
4-16 award made under the Texas emerging technology fund.

4-17 (b) The Texas Treasury Safekeeping Trust Company shall
4-18 manage and wind up the state's emerging technology investment
4-19 portfolio. The trust company shall wind up the portfolio in a
4-20 manner that, to the extent feasible, provides for the maximum
4-21 return on the state's investment. In managing those investments
4-22 and associated assets through procedures and subject to
4-23 restrictions that the trust company considers appropriate, the
4-24 trust company may acquire, exchange, sell, supervise, manage, or
4-25 retain any kind of investment or associated assets that a prudent
4-26 investor, exercising reasonable care, skill, and caution, would
4-27 acquire or retain in light of the purposes, terms, distribution
4-28 requirements, and other circumstances then prevailing pertinent to
4-29 each investment or associated asset. The trust company may recover
4-30 its reasonable and necessary costs incurred in the management of
4-31 the portfolio from the earnings on the investments and associated
4-32 assets in the portfolio.

4-33 (c) Any realized proceeds or other earnings from the sale of
4-34 stock or other investments or associated assets in the state's
4-35 emerging technology investment portfolio, less the amount
4-36 permitted to be retained for payment of its costs for managing the
4-37 portfolio as provided by Subsection (b), shall be remitted by the
4-38 Texas Treasury Safekeeping Trust Company to the comptroller for
4-39 deposit in the governor's university initiative trust fund
4-40 established under Subchapter H, Chapter 62, Education Code.

4-41 (d) The Texas Treasury Safekeeping Trust Company has any
4-42 power necessary to accomplish the purposes of this section.

4-43 (e) On final liquidation of the state's emerging technology
4-44 investment portfolio, the Texas Treasury Safekeeping Trust Company
4-45 shall promptly notify the comptroller of that occurrence. As soon
4-46 as practicable after receiving that notice, the comptroller shall
4-47 verify that the final liquidation has been completed and, if the
4-48 comptroller so verifies, shall certify to the governor that the
4-49 final liquidation of the portfolio has been completed. The governor
4-50 shall post notice of the certification on the office of the
4-51 governor's Internet website.

4-52 (f) Any balance remaining in the Texas emerging technology
4-53 fund on final liquidation by the Texas Treasury Safekeeping Trust
4-54 Company shall be remitted to the comptroller for transfer to the
4-55 credit of the governor's university research initiative fund
4-56 established under Subchapter H, Chapter 62, Education Code.

4-57 SECTION 1.03. Section 490.101, Government Code, is amended
4-58 by adding Subsections (b-1) and (b-2) to read as follows:

4-59 (b-1) Notwithstanding Subsection (b), benefits realized
4-60 from a project undertaken with money from the fund, as provided by a
4-61 contract entered into under former Section 490.103 before September
4-62 1, 2015, shall be deposited to the credit of the governor's
4-63 university research initiative fund established under Subchapter
4-64 H, Chapter 62, Education Code.

4-65 (b-2) The fund may be used only for the purposes described
4-66 by Section 490.104.

4-67 SECTION 1.04. (a) The following laws are repealed:

4-68 (1) Sections 490.101(c), (d), (e), (f), (f-1), (g),
4-69 (h), and (i), Government Code;

5-1 (2) Sections 490.102 and 490.103, Government Code; and
 5-2 (3) Subchapters A, B, D, E, F, and G, Chapter 490,
 5-3 Government Code.

5-4 (b) The Texas emerging technology fund is continued solely
 5-5 for the purposes of winding up the contracts governing awards from
 5-6 that fund and the state's portfolio of equity positions and other
 5-7 investments and associated assets in connection with awards from
 5-8 that fund in accordance with Section 490.104, Government Code, as
 5-9 added by this Act. The Texas emerging technology fund is abolished
 5-10 and Sections 490.101(a), (b), (b-1), and (b-2), Government Code,
 5-11 are repealed when the comptroller certifies to the governor as
 5-12 provided by Section 490.104, Government Code, as added by this Act,
 5-13 that the final liquidation of the state's portfolio of equity
 5-14 positions and other investments and associated assets by the Texas
 5-15 Treasury Safekeeping Trust Company has been completed.

5-16 (c) The abolishment by this Act of the Texas emerging
 5-17 technology fund and the repeal of provisions of Chapter 490,
 5-18 Government Code, relating to that fund do not affect the validity of
 5-19 an agreement between the governor and the recipient of an award
 5-20 awarded under Chapter 490, or a person to be awarded money under
 5-21 that chapter, that is executed before September 1, 2015. Those
 5-22 agreements shall be performed as provided by Section 62.166,
 5-23 Education Code, as added by this Act.

5-24 (d) A regional center of innovation and commercialization
 5-25 established under Section 490.152, Government Code, is abolished on
 5-26 the effective date of this Act. Each center shall transfer to the
 5-27 office of the governor a copy of any meeting minutes required to be
 5-28 retained under Section 490.1521, Government Code, as that section
 5-29 existed immediately before that section's repeal by this Act, and
 5-30 the office shall retain the minutes for the period prescribed by
 5-31 that section.

5-32 (e) On the effective date of this Act, the comptroller of
 5-33 public accounts shall transfer the unexpended balance of the Texas
 5-34 emerging technology fund, less an amount equal to 10 percent of the
 5-35 net cash balance of that fund on August 31, 2014, as follows:

5-36 (1) 50 percent of the transferred amount to the credit
 5-37 of the Texas Enterprise Fund under Section 481.078, Government
 5-38 Code; and

5-39 (2) 50 percent of the transferred amount to the credit
 5-40 of the governor's university research initiative fund established
 5-41 under Subchapter H, Chapter 62, Education Code, as added by this
 5-42 Act.

5-43 (f) After the comptroller makes the transfers required by
 5-44 Subsection (e) of this section, the remaining amount of the
 5-45 unexpended balance of the Texas emerging technology fund may be
 5-46 used only by the Texas Treasury Safekeeping Trust Company for the
 5-47 purposes of meeting the state's fiduciary obligations in winding up
 5-48 the state's portfolio of equity positions and other investments and
 5-49 associated assets in connection with awards from the Texas emerging
 5-50 technology fund in accordance with Section 490.104, Government
 5-51 Code, as added by this Act.

5-52 (f-1) On the effective date of this Act, the comptroller of
 5-53 public accounts shall transfer the encumbered balance of the Texas
 5-54 emerging technology fund to the credit of the governor's university
 5-55 research initiative fund established under Subchapter H, Chapter
 5-56 62, Education Code, as added by this Act, for the purposes of
 5-57 Section 62.166, Education Code, as added by this Act.

5-58 (g) Except as provided by this Act, on September 1, 2015,
 5-59 the following powers, duties, functions, and activities performed
 5-60 by the office of the governor immediately before that date are
 5-61 transferred to the Texas Treasury Safekeeping Trust Company:

5-62 (1) all powers, duties, functions, and activities
 5-63 related to equity positions in the form of stock or other security
 5-64 the governor has taken, on behalf of the state, in companies that
 5-65 received awards under the Texas emerging technology fund before
 5-66 September 1, 2015; and

5-67 (2) all powers, duties, functions, and activities
 5-68 related to other investments made by the governor, on behalf of the
 5-69 state, and associated assets in connection with an award made under

6-1 the Texas emerging technology fund before September 1, 2015.

6-2 (h) Notwithstanding the repeal by this Act of provisions of
6-3 Chapter 490, Government Code, those provisions of Chapter 490 are
6-4 continued in effect for the limited purpose of winding up contracts
6-5 governing awards from the Texas emerging technology fund in
6-6 accordance with Section 62.166, Education Code, as added by this
6-7 Act, and of winding up the state's portfolio of equity positions and
6-8 other investments and associated assets in connection with awards
6-9 from that fund in accordance with Section 490.104, Government Code,
6-10 as added by this Act.

6-11 ARTICLE 2. CERTAIN EVENTS FUNDS

6-12 SECTION 2.01. The heading to Section 4, Chapter 1507 (S.B.
6-13 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
6-14 5190.14, Vernon's Texas Civil Statutes), is amended to read as
6-15 follows:

6-16 Sec. 4. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS; PAN
6-17 AMERICAN GAMES REIMBURSEMENT ~~[TRUST]~~ FUND.

6-18 SECTION 2.02. Sections 4(b), (c), (d), (f), (g), (h), (j),
6-19 (k), and (m), Chapter 1507 (S.B. 456), Acts of the 76th Legislature,
6-20 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil
6-21 Statutes), are amended to read as follows:

6-22 (b) If a site selection organization selects a site for the
6-23 games in this state pursuant to an application by a local organizing
6-24 committee acting on behalf of an endorsing municipality, after the
6-25 first occurrence of a measurable economic impact in this state as a
6-26 result of the preparation for the games, as determined by the
6-27 department ~~[comptroller]~~, but in no event later than one year
6-28 before the scheduled opening event of the games, the department
6-29 ~~[comptroller]~~ shall determine for each subsequent calendar
6-30 quarter, in accordance with procedures developed by the department
6-31 ~~[comptroller]~~:

6-32 (1) the incremental increase in the receipts to the
6-33 state from the taxes imposed under Chapters 151, 152, 156, and 183,
6-34 Tax Code, and under Title 5, Alcoholic Beverage Code, within the
6-35 market areas designated under Subsection (c) of this section, that
6-36 is directly attributable, as determined by the department
6-37 ~~[comptroller]~~, to the preparation for and presentation of the games
6-38 and related events;

6-39 (2) the incremental increase in the receipts collected
6-40 by the state on behalf of the endorsing municipality from the sales
6-41 and use tax imposed by the endorsing municipality under Section
6-42 321.101(a), Tax Code, that is directly attributable, as determined
6-43 by the department ~~[comptroller]~~, to the preparation for and
6-44 presentation of the games and related events; and

6-45 (3) the incremental increase in the receipts collected
6-46 by the endorsing municipality from the municipality's hotel
6-47 occupancy tax imposed under Chapter 351, Tax Code, that is directly
6-48 attributable, as determined by the department ~~[comptroller]~~, to the
6-49 preparation for and presentation of the games and related events.

6-50 (c) For the purposes of Subsection (b)(1) of this section,
6-51 the department ~~[comptroller]~~ shall designate as a market area for
6-52 the games each area in which the department ~~[comptroller]~~
6-53 determines there is a reasonable likelihood of measurable economic
6-54 impact directly attributable to the preparation for and
6-55 presentation of the games and related events, including areas
6-56 likely to provide venues, accommodations, and services in
6-57 connection with the games based on the proposal provided by the
6-58 local organizing committee under Section 7 of this Act. The
6-59 department ~~[comptroller]~~ shall determine the geographic boundaries
6-60 of each market area. The endorsing municipality that has been
6-61 selected as the site for the games must be included in a market area
6-62 for the games.

6-63 (d) The comptroller, at the direction of the department,
6-64 shall retain, for the purpose of guaranteeing the joint obligations
6-65 of the state and the endorsing municipality under a games support
6-66 contract and this Act, the amount of municipal sales and use tax
6-67 revenue determined under Subsection (b)(2) of this section from the
6-68 amounts otherwise required to be sent to the municipality under
6-69 Section 321.502, Tax Code, beginning with the first distribution of

7-1 that tax revenue that occurs after the date the department
 7-2 [~~comptroller~~] makes the determination of the amount of municipal
 7-3 sales and use tax revenue under Subsection (b)(2). The comptroller
 7-4 shall discontinue retaining municipal sales and use tax revenue
 7-5 under this subsection on the earlier of:

7-6 (1) the end of the third calendar month following the
 7-7 month in which the closing event of the games occurs; or

7-8 (2) the date the amount of municipal sales and use tax
 7-9 revenue and municipal hotel occupancy tax revenue in the Pan
 7-10 American Games reimbursement [~~trust~~] fund equals 14 percent of the
 7-11 maximum amount of state and municipal tax revenue that may be
 7-12 transferred to or deposited in the [~~trust~~] fund under Subsection
 7-13 (m) of this section.

7-14 (f) Subject to Subsection (m) of this section, the
 7-15 comptroller, at the direction of the department, shall deposit into
 7-16 a [~~trust~~] fund designated as the Pan American Games reimbursement
 7-17 [~~trust~~] fund the amount of municipal sales and use tax revenue
 7-18 retained under Subsection (d) of this section and, at the same time,
 7-19 shall transfer to the fund a portion of the state tax revenue
 7-20 determined by the department under Subsection (b)(1) of this
 7-21 section in an amount equal to 6.25 times the amount of that
 7-22 municipal sales and use tax revenue. Subject to Subsection (m) of
 7-23 this section, the endorsing municipality shall deposit into the
 7-24 [~~trust~~] fund the amount of the endorsing municipality's hotel
 7-25 occupancy tax revenue determined by the department under Subsection
 7-26 (b)(3) of this section. The endorsing municipality shall deposit
 7-27 that hotel occupancy tax revenue into the [~~trust~~] fund at least
 7-28 quarterly. When the endorsing municipality makes a deposit of its
 7-29 hotel occupancy tax revenue, the comptroller, at the direction of
 7-30 the department, shall transfer to the fund [~~deposit~~] at the same
 7-31 time a portion of the state tax revenue determined under Subsection
 7-32 (b)(1) of this section in an amount equal to 6.25 times the amount
 7-33 of that municipal hotel occupancy tax revenue. The Pan American
 7-34 Games reimbursement [~~trust~~] fund is established outside the
 7-35 treasury but is held in trust by the comptroller for the
 7-36 administration of this Act. Money in the [~~trust~~] fund may be spent
 7-37 by the department without appropriation only as provided by this
 7-38 Act. The comptroller shall discontinue transferring [~~depositing~~]
 7-39 into the [~~trust~~] fund any state tax revenue determined by the
 7-40 department under Subsection (b)(1) of this section on the earlier
 7-41 of:

7-42 (1) the end of the third calendar month following the
 7-43 month in which the closing event of the games occurs; or

7-44 (2) the date on which the amount of state revenue in
 7-45 the Pan American Games reimbursement [~~trust~~] fund equals 86 percent
 7-46 of the maximum amount of state and municipal tax revenue that may be
 7-47 transferred to or deposited in the [~~trust~~] fund under Subsection
 7-48 (m) of this section.

7-49 (g) The department may use the money [~~funds~~] in the Pan
 7-50 American Games reimbursement [~~trust~~] fund only to fulfill joint
 7-51 obligations of the state and the endorsing municipality to a site
 7-52 selection organization under a games support contract or any other
 7-53 agreement providing assurances from the department or the endorsing
 7-54 municipality to a site selection organization.

7-55 (h) A local organizing committee shall provide information
 7-56 required by the department [~~comptroller~~] to enable the department
 7-57 [~~comptroller~~] to fulfill the department's [~~comptroller's~~] duties
 7-58 under this Act, including annual audited statements of the local
 7-59 organizing committee's financial records required by a site
 7-60 selection organization and data obtained by the local organizing
 7-61 committee relating to attendance at the games and to the economic
 7-62 impact of the games. A local organizing committee must provide an
 7-63 annual audited financial statement required by the department
 7-64 [~~comptroller~~] not later than the end of the fourth month after the
 7-65 date the period covered by the financial statement ends.

7-66 (j) The department may not make a disbursement from the Pan
 7-67 American Games reimbursement [~~trust~~] fund unless the department
 7-68 [~~comptroller~~] certifies that the disbursement is for a purpose for
 7-69 which the state and the endorsing municipality are jointly

8-1 obligated under a games support contract or other agreement
8-2 described by Subsection (g) of this section.

8-3 (k) If the department [~~comptroller~~] certifies under
8-4 Subsection (j) of this section that a disbursement may be made from
8-5 the Pan American Games reimbursement [~~trust~~] fund, the obligation
8-6 shall be satisfied first out of municipal revenue deposited in the
8-7 [~~trust~~] fund and any interest earned on that municipal revenue. If
8-8 the municipal revenue is not sufficient to satisfy the entire
8-9 deficit, state revenue transferred [~~deposited~~] into the [~~trust~~]
8-10 fund and any interest earned on that state revenue shall be used to
8-11 satisfy the portion of the deficit not covered by the municipal
8-12 revenue.

8-13 (m) In no event may:

8-14 (1) the total amount of state and municipal tax
8-15 revenue transferred to or deposited in the Pan American Games
8-16 reimbursement [~~trust~~] fund exceed \$20 million; or

8-17 (2) the joint liability of the state and the endorsing
8-18 municipality under a joinder agreement and any other games support
8-19 contracts entered into pursuant to this Act exceed the lesser of:

8-20 (A) \$20 million; or

8-21 (B) the total amount of revenue transferred to or
8-22 deposited in the Pan American Games reimbursement [~~trust~~] fund and
8-23 interest earned on the fund.

8-24 SECTION 2.03. Sections 4(i) and (l), Chapter 1507 (S.B.
8-25 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
8-26 5190.14, Vernon's Texas Civil Statutes), as amended by Chapters 579
8-27 (H.B. 1675) and 814 (S.B. 275), Acts of the 78th Legislature,
8-28 Regular Session, 2003, are reenacted and amended to read as
8-29 follows:

8-30 (i) The department [~~comptroller~~] shall provide an estimate
8-31 not later than September [~~December~~] 1 [~~2003~~] of the year that is
8-32 eight years before the year in which the games would be held in this
8-33 state of the total amount of state and municipal tax revenue that
8-34 would be transferred to or deposited in the Pan American Games
8-35 reimbursement [~~trust~~] fund before January 1 [~~2012~~] of the year
8-36 following the year in which the games would be held, if the games
8-37 were to be held in this state at a site selected pursuant to an
8-38 application by a local organizing committee. The department
8-39 [~~comptroller~~] shall provide the estimate on request to a local
8-40 organizing committee. A local organizing committee may submit the
8-41 department's [~~comptroller's~~] estimate to a site selection
8-42 organization.

8-43 (l) On January 1 [~~2013~~] of the second year following the
8-44 year in which the games are held in this state, the comptroller, at
8-45 the direction of the department, shall transfer to the general
8-46 revenue fund any money remaining in the Pan American Games
8-47 reimbursement [~~trust~~] fund, not to exceed the amount of state
8-48 revenue remaining in the [~~trust~~] fund, plus any interest earned on
8-49 that state revenue. The comptroller shall remit to the endorsing
8-50 municipality any money remaining in the [~~trust~~] fund after the
8-51 required amount is transferred to the general revenue fund.

8-52 SECTION 2.04. The heading to Section 5, Chapter 1507 (S.B.
8-53 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
8-54 5190.14, Vernon's Texas Civil Statutes), is amended to read as
8-55 follows:

8-56 Sec. 5. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS;
8-57 OLYMPIC GAMES REIMBURSEMENT [~~TRUST~~] FUND.

8-58 SECTION 2.05. Sections 5(b), (c), (d), (f), (g), (h), (i),
8-59 (j), (k), (l), and (m), Chapter 1507 (S.B. 456), Acts of the 76th
8-60 Legislature, Regular Session, 1999 (Article 5190.14, Vernon's
8-61 Texas Civil Statutes), are amended to read as follows:

8-62 (b) If a site selection organization selects a site for the
8-63 games in this state pursuant to an application by a local organizing
8-64 committee, after the first occurrence of a measurable economic
8-65 impact in this state as a result of the preparation for the games,
8-66 as determined by the department [~~comptroller~~], but in no event
8-67 later than one year before the scheduled opening event of the games,
8-68 the department [~~comptroller~~] shall determine for each subsequent
8-69 calendar quarter, in accordance with procedures developed by the

9-1 department [~~comptroller~~]:

9-2 (1) the incremental increase in the receipts to the
9-3 state from the taxes imposed under Chapters 151, 152, 156, and 183,
9-4 Tax Code, and under Title 5, Alcoholic Beverage Code, within the
9-5 market areas designated under Subsection (c) of this section, that
9-6 is directly attributable, as determined by the department
9-7 [~~comptroller~~], to the preparation for and presentation of the games
9-8 and related events;

9-9 (2) the incremental increase in the receipts collected
9-10 by the state on behalf of each endorsing municipality from the sales
9-11 and use tax imposed by the endorsing municipality under Section
9-12 321.101(a), Tax Code, and the mixed beverage tax revenue to be
9-13 received by the endorsing municipality under Section 183.051(b),
9-14 Tax Code, that is directly attributable, as determined by the
9-15 department [~~comptroller~~], to the preparation for and presentation
9-16 of the games and related events;

9-17 (3) the incremental increase in the receipts collected
9-18 by the state on behalf of each endorsing county from the sales and
9-19 use tax imposed by the county under Section 323.101(a), Tax Code,
9-20 and the mixed beverage tax revenue to be received by the endorsing
9-21 county under Section 183.051(b), Tax Code, that is directly
9-22 attributable, as determined by the department [~~comptroller~~], to the
9-23 preparation for and presentation of the games and related events;

9-24 (4) the incremental increase in the receipts collected
9-25 by each endorsing municipality from the hotel occupancy tax imposed
9-26 under Chapter 351, Tax Code, that is directly attributable, as
9-27 determined by the department [~~comptroller~~], to the preparation for
9-28 and presentation of the games and related events; and

9-29 (5) the incremental increase in the receipts collected
9-30 by each endorsing county from the hotel occupancy tax imposed under
9-31 Chapter 352, Tax Code, that is directly attributable, as determined
9-32 by the department [~~comptroller~~], to the preparation for and
9-33 presentation of the games and related events.

9-34 (c) For the purposes of Subsection (b)(1) of this section,
9-35 the department [~~comptroller~~] shall designate as a market area for
9-36 the games each area in which the department [~~comptroller~~]
9-37 determines there is a reasonable likelihood of measurable economic
9-38 impact directly attributable to the preparation for and
9-39 presentation of the games and related events, including areas
9-40 likely to provide venues, accommodations, and services in
9-41 connection with the games based on the proposal provided by the
9-42 local organizing committee under Section 7 of this Act. The
9-43 department [~~comptroller~~] shall determine the geographic boundaries
9-44 of each market area. Each endorsing municipality or endorsing
9-45 county that has been selected as the site for the games must be
9-46 included in a market area for the games.

9-47 (d) Subject to Section 6 of this Act, the comptroller, at
9-48 the direction of the department, shall retain, for the purpose of
9-49 guaranteeing the joint obligations of the state and an endorsing
9-50 municipality or endorsing county under a games support contract and
9-51 this Act, the amount of sales and use tax revenue and mixed beverage
9-52 tax revenue determined under Subsection (b)(2) or (b)(3) of this
9-53 section from the amounts otherwise required to be sent to the
9-54 municipality under Section 183.051(b) or 321.502, Tax Code, or to
9-55 the county under Section 183.051(b) or 323.502, Tax Code, beginning
9-56 with the first distribution of that tax revenue that occurs after
9-57 the date the department [~~comptroller~~] makes the determination of
9-58 the amount of sales and use tax revenue and mixed beverage tax
9-59 revenue under Subsection (b)(2) or (b)(3) of this section. The
9-60 comptroller shall discontinue retaining sales and use tax revenue
9-61 and mixed beverage tax revenue under this subsection on the earlier
9-62 of:

9-63 (1) the end of the third calendar month following the
9-64 month in which the closing event of the games occurs; or

9-65 (2) the date the amount of local sales and use tax
9-66 revenue and mixed beverage tax revenue in the Olympic Games
9-67 reimbursement [~~trust~~] fund equals 14 percent of the maximum amount
9-68 of state and local tax revenue that may be transferred to or
9-69 deposited in the [~~trust~~] fund under Subsection (m) of this section.

10-1 (f) Subject to Subsection (m) of this section, each
 10-2 endorsing municipality or endorsing county shall remit to the
 10-3 comptroller and the comptroller, at the direction of the
 10-4 department, shall deposit into a trust fund designated as the
 10-5 Olympic Games reimbursement [~~trust~~] fund, on a quarterly basis, the
 10-6 amount of the municipality's or county's hotel occupancy tax
 10-7 revenue determined by the department under Subsection (b)(4) or
 10-8 (b)(5) of this section, as applicable. Subject to Section 6 of this
 10-9 Act and Subsection (m) of this section, the comptroller, at the
 10-10 direction of the department, shall deposit into the [~~trust~~] fund
 10-11 the amount of sales and use tax revenue and mixed beverage tax
 10-12 revenue retained under Subsection (d) of this section for the same
 10-13 calendar quarter and, at the same time, shall transfer to the fund
 10-14 the state tax revenue determined by the department under Subsection
 10-15 (b)(1) of this section for the quarter. The Olympic Games
 10-16 reimbursement [~~trust~~] fund is established outside the treasury but
 10-17 is held in trust by the comptroller for the administration of this
 10-18 Act. Money in the [~~trust~~] fund may be spent by the department
 10-19 without appropriation only as provided by this Act. The
 10-20 comptroller shall discontinue transfer [~~deposit~~] of the amount of
 10-21 state tax revenue determined by the department under Subsection
 10-22 (b)(1) of this section on the earlier of:

10-23 (1) the end of the third calendar month following the
 10-24 month in which the closing event of the games occurs; or

10-25 (2) the date the amount of state revenue in the Olympic
 10-26 Games reimbursement [~~trust~~] fund equals 86 percent of the maximum
 10-27 amount of state, municipal, and county tax revenue that may be
 10-28 transferred to or deposited in the [~~trust~~] fund under Subsection
 10-29 (m) of this section.

10-30 (g) The department may use the money [~~funds~~] in the Olympic
 10-31 Games reimbursement [~~trust~~] fund only to fulfill joint obligations
 10-32 of the state and each endorsing municipality or endorsing county to
 10-33 a site selection organization under a games support contract or any
 10-34 other agreement providing assurances from the department or the
 10-35 municipality or county to a site selection organization.

10-36 (h) A local organizing committee shall provide information
 10-37 required by the department [~~comptroller~~] to enable the department
 10-38 [~~comptroller~~] to fulfill the department's [~~comptroller's~~] duties
 10-39 under this Act, including annual audited statements of the local
 10-40 organizing committee's financial records required by a site
 10-41 selection organization and data obtained by the local organizing
 10-42 committee relating to attendance at the games and to the economic
 10-43 impact of the games. A local organizing committee must provide an
 10-44 annual audited financial statement required by the department
 10-45 [~~comptroller~~] not later than the end of the fourth month after the
 10-46 date the period covered by the financial statement ends.

10-47 (i) The department [~~comptroller~~] shall provide an estimate
 10-48 before August 31 of the year that is 12 years before the year in
 10-49 which the games would be held in this state, or as soon as practical
 10-50 after that date, of the total amount of state, municipal, and county
 10-51 tax revenue that would be transferred to or deposited in the Olympic
 10-52 Games reimbursement [~~trust~~] fund if the games were to be held in
 10-53 this state at a site selected pursuant to an application by a local
 10-54 organizing committee. The department [~~comptroller~~] shall provide
 10-55 the estimate on request to a local organizing committee. A local
 10-56 organizing committee may submit the department's [~~comptroller's~~]
 10-57 estimate to a site selection organization.

10-58 (j) The department may not make a disbursement from the
 10-59 Olympic Games reimbursement [~~trust~~] fund unless the department
 10-60 [~~comptroller~~] certifies that the disbursement is for a purpose for
 10-61 which the state and each endorsing municipality or endorsing county
 10-62 are jointly obligated under a games support contract or other
 10-63 agreement described by Subsection (g) of this section. A
 10-64 disbursement may not be made from the [~~trust~~] fund that the
 10-65 department determines would be used for the purpose of soliciting
 10-66 the relocation of a professional sports franchise located in this
 10-67 state.

10-68 (k) If the department [~~comptroller~~] certifies under
 10-69 Subsection (j) of this section that a disbursement may be made from

11-1 the Olympic Games reimbursement [~~trust~~] fund, the obligation shall
 11-2 be satisfied proportionately from the state and municipal or county
 11-3 revenue in the [~~trust~~] fund.

11-4 (1) Two years after the closing event of the games, the
 11-5 department [~~comptroller~~] shall transfer to the general revenue fund
 11-6 any money remaining in the Olympic Games reimbursement [~~trust~~]
 11-7 fund, not to exceed the amount of state revenue remaining in the
 11-8 [~~trust~~] fund, plus any interest earned on that state revenue. The
 11-9 department [~~comptroller~~] shall remit to each endorsing entity in
 11-10 proportion to the amount contributed by the entity any money
 11-11 remaining in the [~~trust~~] fund after the required amount is
 11-12 transferred to the general revenue fund.

11-13 (m) In no event may:

11-14 (1) the total amount of state, municipal, and county
 11-15 tax revenue transferred to or deposited in the Olympic Games
 11-16 reimbursement [~~trust~~] fund exceed \$100 million; or

11-17 (2) the joint liability of the state and an endorsing
 11-18 municipality or county under a joinder agreement and any other
 11-19 games support contracts entered into pursuant to this Act exceed
 11-20 the lesser of:

11-21 (A) \$100 million; or

11-22 (B) the total amount of revenue transferred to or
 11-23 deposited in the Olympic Games reimbursement [~~trust~~] fund and
 11-24 interest earned on the fund.

11-25 SECTION 2.06. The heading to Section 5A, Chapter 1507 (S.B.
 11-26 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
 11-27 5190.14, Vernon's Texas Civil Statutes), is amended to read as
 11-28 follows:

11-29 Sec. 5A. PAYMENT OF STATE AND MUNICIPAL OR COUNTY
 11-30 OBLIGATIONS; MAJOR EVENTS REIMBURSEMENT [~~TRUST~~] FUND.

11-31 SECTION 2.07. Sections 5A(a)(1) and (2), Chapter 1507 (S.B.
 11-32 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
 11-33 5190.14, Vernon's Texas Civil Statutes), are amended to read as
 11-34 follows:

11-35 (1) "Endorsing county" means:

11-36 (A) a county that contains a site selected by a
 11-37 site selection organization for one or more events; or

11-38 (B) a county that:

11-39 (i) does not contain a site selected by a
 11-40 site selection organization for an event;

11-41 (ii) is included in the market area for the
 11-42 event as designated by the department [~~comptroller~~]; and

11-43 (iii) is a party to an event support
 11-44 contract.

11-45 (2) "Endorsing municipality" means:

11-46 (A) a municipality that contains a site selected
 11-47 by a site selection organization for one or more events; or

11-48 (B) a municipality that:

11-49 (i) does not contain a site selected by a
 11-50 site selection organization for an event;

11-51 (ii) is included in the market area for the
 11-52 event as designated by the department [~~comptroller~~]; and

11-53 (iii) is a party to an event support
 11-54 contract.

11-55 SECTION 2.08. Sections 5A(a-1), (a-2), (b), (b-1), (c),
 11-56 (d), (d-1), (e), (f), (g), (i), (j), (k), (l), (m), (p), (v), (w),
 11-57 and (y), Chapter 1507 (S.B. 456), Acts of the 76th Legislature,
 11-58 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil
 11-59 Statutes), are amended to read as follows:

11-60 (a-1) An event not listed in Subsection (a)(4) of this
 11-61 section is ineligible for funding under this section. A listed
 11-62 event may receive funding under this section only if:

11-63 (1) a site selection organization selects a site
 11-64 located in this state for the event to be held one time or, for an
 11-65 event scheduled to be held each year for a period of years under an
 11-66 event contract, or an event support contract, one time each year for
 11-67 the period of years, after considering, through a highly
 11-68 competitive selection process, one or more sites that are not
 11-69 located in this state;

12-1 (2) a site selection organization selects a site in
12-2 this state as:

12-3 (A) the sole site for the event; or
12-4 (B) the sole site for the event in a region
12-5 composed of this state and one or more adjoining states;

12-6 (3) the event is held not more than one time in any
12-7 year; and

12-8 (4) the amount of the incremental increase in tax
12-9 receipts determined by the department [~~comptroller~~] under
12-10 Subsection (b) of this section equals or exceeds \$1 million,
12-11 provided that for an event scheduled to be held each year for a
12-12 period of years under an event contract or event support contract,
12-13 the incremental increase in tax receipts shall be calculated as if
12-14 the event did not occur in the prior year.

12-15 (a-2) Subsection (a-1)(1) of this section does not apply to
12-16 an event that is the largest event held each year at a sports
12-17 entertainment venue in this state with a permanent seating
12-18 capacity, including grandstand and premium seating, of not less
12-19 than 125,000. If an endorsing municipality or endorsing county
12-20 requests the department [~~comptroller~~] to make a determination under
12-21 Subsection (b) of this section for an event described by this
12-22 subsection, the provisions of this section apply to that event as if
12-23 it satisfied the eligibility requirements for an event under
12-24 Subsection (a-1)(1) of this section.

12-25 (b) If a site selection organization selects a site for an
12-26 event in this state pursuant to an application by a local organizing
12-27 committee, endorsing municipality, or endorsing county, upon
12-28 request of a local organizing committee, endorsing municipality, or
12-29 endorsing county, the department [~~comptroller~~] shall determine for
12-30 a one-year period that begins two months before the date on which
12-31 the event will begin, in accordance with procedures developed by
12-32 the department [~~comptroller~~]:

12-33 (1) the incremental increase in the receipts to the
12-34 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax
12-35 Code, and under Title 5, Alcoholic Beverage Code, within the market
12-36 areas designated under Subsection (c) of this section, that is
12-37 directly attributable, as determined by the department
12-38 [~~comptroller~~], to the preparation for and presentation of the event
12-39 and related activities;

12-40 (2) the incremental increase in the receipts collected
12-41 by the state on behalf of each endorsing municipality in the market
12-42 area from the sales and use tax imposed by each endorsing
12-43 municipality under Section 321.101(a), Tax Code, and the mixed
12-44 beverage tax revenue to be received by each endorsing municipality
12-45 under Section 183.051(b), Tax Code, that is directly attributable,
12-46 as determined by the department [~~comptroller~~], to the preparation
12-47 for and presentation of the event and related activities;

12-48 (3) the incremental increase in the receipts collected
12-49 by the state on behalf of each endorsing county in the market area
12-50 from the sales and use tax imposed by each endorsing county under
12-51 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to
12-52 be received by each endorsing county under Section 183.051(b), Tax
12-53 Code, that is directly attributable, as determined by the
12-54 department [~~comptroller~~], to the preparation for and presentation
12-55 of the event and related activities;

12-56 (4) the incremental increase in the receipts collected
12-57 by each endorsing municipality in the market area from the hotel
12-58 occupancy tax imposed under Chapter 351, Tax Code, that is directly
12-59 attributable, as determined by the department [~~comptroller~~], to the
12-60 preparation for and presentation of the event and related
12-61 activities; and

12-62 (5) the incremental increase in the receipts collected
12-63 by each endorsing county in the market area from the hotel occupancy
12-64 tax imposed under Chapter 352, Tax Code, that is directly
12-65 attributable, as determined by the department [~~comptroller~~], to the
12-66 preparation for and presentation of the event and related
12-67 activities.

12-68 (b-1) A request for a determination of the amount of
12-69 incremental increase in tax receipts specified by Subsection (b) of

13-1 this section must be submitted to the department ~~[comptroller]~~ not
 13-2 earlier than one year and not later than 45 days before the date the
 13-3 event begins. The department ~~[comptroller]~~ shall base the
 13-4 determination specified by Subsection (b) of this section on
 13-5 information submitted by the local organizing committee, endorsing
 13-6 municipality, or endorsing county, and must make the determination
 13-7 not later than the 30th day after the date the department
 13-8 ~~[comptroller]~~ receives the request and related information.

13-9 (c) For the purposes of Subsection (b)(1) of this section,
 13-10 the department ~~[comptroller]~~ shall designate as a market area for
 13-11 the event each area in which the department ~~[comptroller]~~
 13-12 determines there is a reasonable likelihood of measurable economic
 13-13 impact directly attributable to the preparation for and
 13-14 presentation of the event and related activities, including areas
 13-15 likely to provide venues, accommodations, and services in
 13-16 connection with the event based on the proposal provided by the
 13-17 local organizing committee to the department ~~[comptroller]~~. The
 13-18 department ~~[comptroller]~~ shall determine the geographic boundaries
 13-19 of each market area. An endorsing municipality or endorsing county
 13-20 that has been selected as the site for the event must be included in
 13-21 a market area for the event.

13-22 (d) Each endorsing municipality or endorsing county shall
 13-23 remit to the comptroller and the comptroller shall deposit into a
 13-24 ~~[trust]~~ fund created by the comptroller, at the direction of the
 13-25 department, and designated as the Major Events reimbursement
 13-26 ~~[trust]~~ fund the amount of the municipality's or county's hotel
 13-27 occupancy tax revenue determined by the department under Subsection
 13-28 (b)(4) or (b)(5) of this section, less any amount of the revenue
 13-29 that the municipality or county determines is necessary to meet the
 13-30 obligations of the municipality or county. The comptroller, at the
 13-31 direction of the department, shall retain the amount of sales and
 13-32 use tax revenue and mixed beverage tax revenue determined by the
 13-33 department under Subsection (b)(2) or (b)(3) of this section from
 13-34 the amounts otherwise required to be sent to the municipality under
 13-35 Sections 321.502 and 183.051(b), Tax Code, or to the county under
 13-36 Sections 323.502 and 183.051(b), Tax Code, and deposit into the
 13-37 ~~[trust]~~ fund the tax revenues, less any amount of the revenue that
 13-38 the municipality or county determines is necessary to meet the
 13-39 obligations of the municipality or county. The comptroller shall
 13-40 begin retaining and depositing the local tax revenues with the
 13-41 first distribution of that tax revenue that occurs after the first
 13-42 day of the one-year period described by Subsection (b) of this
 13-43 section or at a time otherwise determined to be practicable by the
 13-44 department ~~[comptroller]~~ and shall discontinue retaining the local
 13-45 tax revenues under this subsection when the amount of the
 13-46 applicable tax revenue determined by the department under
 13-47 Subsection (b)(2) or (b)(3) of this section has been retained. The
 13-48 Major Events reimbursement ~~[trust]~~ fund is established outside the
 13-49 state treasury and is held in trust by the comptroller for
 13-50 administration of this Act. Money in the ~~[trust]~~ fund may be
 13-51 disbursed by the department ~~[comptroller]~~ without appropriation
 13-52 only as provided by this section.

13-53 (d-1) Not later than the 90th day after the last day of an
 13-54 event and in lieu of the local tax revenues remitted ~~[to]~~ or
 13-55 retained ~~[by the comptroller]~~ under Subsection (d) of this section,
 13-56 a municipality or county may remit to the department ~~[comptroller]~~
 13-57 for deposit in the Major Events reimbursement ~~[trust]~~ fund other
 13-58 local funds in an amount equal to the total amount of local tax
 13-59 revenue determined by the department under Subsections (b)(2)
 13-60 through (5) of this section. The amount deposited by the
 13-61 department ~~[comptroller]~~ into the Major Events reimbursement
 13-62 ~~[trust]~~ fund under this subsection is subject to Subsection (f) of
 13-63 this section.

13-64 (e) In addition to the tax revenue deposited in the Major
 13-65 Events reimbursement ~~[trust]~~ fund under Subsection (d) of this
 13-66 section, an endorsing municipality or endorsing county may
 13-67 guarantee its obligations under an event support contract and this
 13-68 section by pledging surcharges from user fees, including parking or
 13-69 ticket fees, charged in connection with the event. An endorsing

14-1 municipality or endorsing county may collect and remit to the
 14-2 department [~~comptroller~~] surcharges and user fees attributable to
 14-3 the event for deposit into the Major Events reimbursement [~~trust~~]
 14-4 fund.

14-5 (f) The comptroller, at the direction of the department,
 14-6 shall transfer [~~deposit~~] into the Major Events reimbursement
 14-7 [~~trust~~] fund a portion of the state tax revenue not to exceed the
 14-8 amount determined by the department under Subsection (b)(1) of this
 14-9 section in an amount equal to 6.25 times the amount of the local
 14-10 revenue retained or remitted under this section, including:

- 14-11 (1) local sales and use tax revenue;
- 14-12 (2) mixed beverage tax revenue;
- 14-13 (3) hotel occupancy tax revenue; and
- 14-14 (4) surcharge and user fee revenue.

14-15 (g) To meet its obligations under a game support contract or
 14-16 event support contract to improve, construct, renovate, or acquire
 14-17 facilities or to acquire equipment, an endorsing municipality by
 14-18 ordinance or an endorsing county by order may authorize the
 14-19 issuance of notes. An endorsing municipality or endorsing county
 14-20 may provide that the notes be paid from and secured by amounts on
 14-21 deposit or amounts to be deposited into the Major Events
 14-22 reimbursement [~~trust~~] fund or surcharges from user fees, including
 14-23 parking or ticket fees, charged in connection with the event. Any
 14-24 note issued must mature not later than seven years from its date of
 14-25 issuance.

14-26 (i) A local organizing committee, endorsing municipality,
 14-27 or endorsing county shall provide information required by the
 14-28 department [~~comptroller~~] to enable the department [~~comptroller~~]
 14-29 to fulfill the department's [~~comptroller's~~] duties under this section,
 14-30 including annual audited statements of any financial records
 14-31 required by a site selection organization and data obtained by the
 14-32 local organizing committee, an endorsing municipality, or an
 14-33 endorsing county relating to attendance at the event, including an
 14-34 estimate of the number of people expected to attend the event who
 14-35 are not residents of this state, and to the economic impact of the
 14-36 event. A local organizing committee, endorsing municipality, or
 14-37 endorsing county must provide an annual audited financial statement
 14-38 required by the department [~~comptroller~~], if any, not later than
 14-39 the end of the fourth month after the date the period covered by the
 14-40 financial statement ends. After the conclusion of an event and on
 14-41 the department's [~~comptroller's~~] request, a local organizing
 14-42 committee, endorsing municipality, or endorsing county must
 14-43 provide information relating to the event, such as attendance
 14-44 figures, including an estimate of the number of attendees at the
 14-45 event who are not residents of this state, financial information,
 14-46 or other public information held by the local organizing committee,
 14-47 endorsing municipality, or endorsing county that the department
 14-48 [~~comptroller~~] considers necessary.

14-49 (j) Not later than the 30th day after the date a request of a
 14-50 local organizing committee, endorsing municipality, or endorsing
 14-51 county is submitted to the department [~~comptroller~~] under
 14-52 Subsection (b-1) of this section, the department [~~comptroller~~]
 14-53 shall provide an estimate of the total amount of tax revenue that
 14-54 would be deposited in the Major Events reimbursement [~~trust~~] fund
 14-55 under this section in connection with that event, if the event were
 14-56 to be held in this state at a site selected pursuant to an
 14-57 application by a local organizing committee, endorsing
 14-58 municipality, or endorsing county. A local organizing committee,
 14-59 endorsing municipality, or endorsing county may submit the
 14-60 department's [~~comptroller's~~] estimate to a site selection
 14-61 organization.

14-62 (k) The department [~~comptroller~~] may make a disbursement
 14-63 from the Major Events reimbursement [~~trust~~] fund on the prior
 14-64 approval of each contributing endorsing municipality or endorsing
 14-65 county for a purpose for which a local organizing committee, an
 14-66 endorsing municipality, or an endorsing county or the state is
 14-67 obligated under a game support contract or event support
 14-68 contract. If an obligation is incurred under a games support
 14-69 contract or event support contract to make a structural improvement

15-1 to the site or to add a fixture to the site for purposes of an event
 15-2 and that improvement or fixture is expected to derive most of its
 15-3 value in subsequent uses of the site for future events, a
 15-4 disbursement from the ~~[trust]~~ fund made for purposes of that
 15-5 obligation is limited to five percent of the cost of the improvement
 15-6 or fixture and the remainder of the obligation is not eligible for a
 15-7 disbursement from the ~~[trust]~~ fund, unless the improvement or
 15-8 fixture is for a publicly owned facility. In considering whether
 15-9 to make a disbursement from the ~~[trust]~~ fund, the department
 15-10 ~~[comptroller]~~ may not consider a contingency clause in an event
 15-11 support contract as relieving a local organizing committee's,
 15-12 endorsing municipality's, or endorsing county's obligation to pay a
 15-13 cost under the contract. A disbursement may not be made from the
 15-14 ~~[trust]~~ fund that the department ~~[comptroller]~~ determines would be
 15-15 used for the purpose of soliciting the relocation of a professional
 15-16 sports franchise located in this state.

15-17 (l) If a disbursement is made from the Major Events
 15-18 reimbursement ~~[trust]~~ fund under Subsection (k) of this section,
 15-19 the obligation shall be satisfied proportionately from the state
 15-20 and local revenue in the ~~[trust]~~ fund.

15-21 (m) On payment of all state, municipal, or county
 15-22 obligations under a game support contract or event support contract
 15-23 related to the location of any particular event in the state, the
 15-24 department ~~[comptroller]~~ shall remit to each endorsing entity, in
 15-25 proportion to the amount contributed by the entity, any money
 15-26 remaining in the ~~[trust]~~ fund.

15-27 (p) The department ~~[comptroller]~~ may not undertake any of
 15-28 the responsibilities or duties set forth in this section unless:

15-29 (1) a request is submitted by the municipality or the
 15-30 county in which the event will be located;

15-31 (2) the event meets all the requirements for funding
 15-32 under this section, including Subsection (a-1) of this section; and

15-33 (3) the request is accompanied by documentation from a
 15-34 site selection organization selecting the site for the event.

15-35 (v) The department ~~[comptroller]~~ may adopt rules necessary
 15-36 to implement this section.

15-37 (w) Not later than 10 months after the last day of an event
 15-38 eligible for disbursements from the Major Events reimbursement
 15-39 ~~[trust]~~ fund for costs associated with the event, the department
 15-40 ~~[comptroller]~~ using existing resources shall complete a study in
 15-41 the market area of the event on the measurable economic impact
 15-42 directly attributable to the preparation for and presentation of
 15-43 the event and related activities. The department ~~[comptroller]~~
 15-44 shall post on the department's ~~[comptroller's]~~ Internet website:

15-45 (1) the results of the study conducted under this
 15-46 subsection, including any source documentation or other
 15-47 information relied on by the department ~~[comptroller]~~ for the
 15-48 study;

15-49 (2) the amount of incremental increase in tax receipts
 15-50 for the event determined by the department under Subsection (b) of
 15-51 this section;

15-52 (3) the site selection organization documentation
 15-53 described in Subsection (p)(3) of this section;

15-54 (4) any source documentation or information described
 15-55 under Subsection (i) of this section that was relied on by the
 15-56 department ~~[comptroller]~~ in making the determination of the amount
 15-57 of incremental increase in tax receipts under Subsection (b) of
 15-58 this section; and

15-59 (5) documentation verifying that:

15-60 (A) a request submitted by a local organizing
 15-61 committee, endorsing municipality, or endorsing county under
 15-62 Subsection (p) of this section is complete and certified as such by
 15-63 the department ~~[comptroller]~~;

15-64 (B) the determination on the amount of
 15-65 incremental increases in tax receipts under Subsection (b) of this
 15-66 section considered the information submitted by a local organizing
 15-67 committee, endorsing municipality, or endorsing county as required
 15-68 under Subsection (b-1) of this section; and

15-69 (C) each deadline established under this section

16-1 was timely met.

16-2 (y) After the conclusion of an event, the department
 16-3 [~~comptroller~~] shall compare information on the actual attendance
 16-4 figures provided to the department [~~comptroller~~] under Subsection
 16-5 (i) of this section with the estimated attendance numbers used to
 16-6 determine the incremental increase in tax receipts under Subsection
 16-7 (b) of this section. If the actual attendance figures are
 16-8 significantly lower than the estimated attendance numbers, the
 16-9 department [~~comptroller~~] may reduce the amount of a disbursement
 16-10 for an endorsing entity under the Major Events reimbursement
 16-11 [~~trust~~] fund in proportion to the discrepancy between the actual
 16-12 and estimated attendance and in proportion to the amount
 16-13 contributed to the fund by the entity. The department
 16-14 [~~comptroller~~] by rule shall define "significantly lower" for
 16-15 purposes of this subsection and provide the manner in which a
 16-16 disbursement may be proportionately reduced. This subsection does
 16-17 not affect the remittance of any money remaining in the fund in
 16-18 accordance with Subsection (m) of this section.

16-19 SECTION 2.09. The heading to Section 5B, Chapter 1507 (S.B.
 16-20 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
 16-21 5190.14, Vernon's Texas Civil Statutes), is amended to read as
 16-22 follows:

16-23 Sec. 5B. GUARANTEE OF STATE AND MUNICIPAL OR COUNTY
 16-24 OBLIGATIONS; MOTOR SPORTS RACING REIMBURSEMENT [~~TRUST~~] FUND.

16-25 SECTION 2.10. Sections 5B(b), (c), (d), (e), (f), (g), (h),
 16-26 (i), (j), (k), (l), (m), and (o), Chapter 1507 (S.B. 456), Acts of
 16-27 the 76th Legislature, Regular Session, 1999 (Article 5190.14,
 16-28 Vernon's Texas Civil Statutes), are amended to read as follows:

16-29 (b) If a site selection organization selects a site for a
 16-30 motor sports racing event in this state pursuant to an application
 16-31 by a local organizing committee, endorsing municipality, or
 16-32 endorsing county, not later than three months before the date of the
 16-33 motor sports racing event, the department [~~comptroller~~] shall
 16-34 determine for the 30-day period that ends at the end of the day
 16-35 after the date on which the racing event will be held, in accordance
 16-36 with procedures developed by the department [~~comptroller~~]:

16-37 (1) the incremental increase in the receipts to the
 16-38 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax
 16-39 Code, and under Title 5, Alcoholic Beverage Code, within the market
 16-40 areas designated under Subsection (c) of this section, that is
 16-41 directly attributable, as determined by the department
 16-42 [~~comptroller~~], to the preparation for and presentation of the
 16-43 racing event;

16-44 (2) the incremental increase in the receipts collected
 16-45 by the state on behalf of each endorsing municipality in the market
 16-46 area from the sales and use tax imposed by each endorsing
 16-47 municipality under Section 321.101(a), Tax Code, and the mixed
 16-48 beverage tax revenue to be received by each endorsing municipality
 16-49 under Section 183.051(b), Tax Code, that is directly attributable,
 16-50 as determined by the department [~~comptroller~~], to the preparation
 16-51 for and presentation of the racing event;

16-52 (3) the incremental increase in the receipts collected
 16-53 by the state on behalf of each endorsing county in the market area
 16-54 from the sales and use tax imposed by each endorsing county under
 16-55 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to
 16-56 be received by each endorsing county under Section 183.051(b), Tax
 16-57 Code, that is directly attributable, as determined by the
 16-58 department [~~comptroller~~], to the preparation for and presentation
 16-59 of the racing event;

16-60 (4) the incremental increase in the receipts collected
 16-61 by each endorsing municipality in the market area from the hotel
 16-62 occupancy tax imposed under Chapter 351, Tax Code, that is directly
 16-63 attributable, as determined by the department [~~comptroller~~], to the
 16-64 preparation for and presentation of the racing event; and

16-65 (5) the incremental increase in the receipts collected
 16-66 by each endorsing county in the market area from the hotel occupancy
 16-67 tax imposed under Chapter 352, Tax Code, that is directly
 16-68 attributable, as determined by the department [~~comptroller~~], to the
 16-69 preparation for and presentation of the racing event.

17-1 (c) For the purposes of Subsection (b)(1) of this section,
 17-2 the department [~~comptroller~~] shall designate as a market area for
 17-3 the motor sports racing event each area in which the department
 17-4 [~~comptroller~~] determines there is a reasonable likelihood of
 17-5 measurable economic impact directly attributable to the
 17-6 preparation for and presentation of the racing event, including
 17-7 areas likely to provide venues, accommodations, and services in
 17-8 connection with the racing event based on a proposal or other
 17-9 information provided by an endorsing municipality, endorsing
 17-10 county, or local organizing committee to the department
 17-11 [~~comptroller~~]. The department [~~comptroller~~] shall determine the
 17-12 geographic boundaries of each market area. An endorsing
 17-13 municipality or endorsing county that has been selected as the site
 17-14 for the racing event must be included in a market area for the
 17-15 racing event.

17-16 (d) Each endorsing municipality or endorsing county shall
 17-17 remit to the comptroller and the comptroller shall deposit into a
 17-18 [~~trust~~] fund created by the comptroller, at the direction of the
 17-19 department, and designated as the Motor Sports Racing reimbursement
 17-20 [~~trust~~] fund for the particular event the amount of the
 17-21 municipality's or county's hotel occupancy tax revenue determined
 17-22 by the department under Subsection (b)(4) or (5) of this section,
 17-23 less any amount of the revenue that the municipality or county
 17-24 determines is necessary to meet the obligations of the municipality
 17-25 or county. The comptroller, at the direction of the department,
 17-26 shall retain the amount of sales and use tax revenue and mixed
 17-27 beverage tax revenue determined by the department under Subsection
 17-28 (b)(2) or (3) of this section from the amounts otherwise required to
 17-29 be sent to the municipality under Sections 321.502 and 183.051(b),
 17-30 Tax Code, or to the county under Sections 323.502 and 183.051(b),
 17-31 Tax Code, and deposit into the [~~trust~~] fund the tax revenues, less
 17-32 any amount of the revenue that the municipality or county
 17-33 determines is necessary to meet the obligations of the municipality
 17-34 or county. The comptroller shall begin retaining and depositing
 17-35 the local tax revenues with the first distribution of that tax
 17-36 revenue that occurs after the first day of the 30-day period
 17-37 described by Subsection (b) of this section and shall discontinue
 17-38 retaining the local tax revenues under this subsection when the
 17-39 amount of the applicable tax revenue determined under Subsection
 17-40 (b)(2) or (3) of this section has been retained. The Motor Sports
 17-41 Racing reimbursement [~~trust~~] fund is established outside the state
 17-42 treasury and is held in trust by the comptroller for administration
 17-43 of this section. Money in the [~~trust~~] fund may be disbursed by the
 17-44 department [~~comptroller~~] without appropriation only as provided by
 17-45 this section.

17-46 (e) In addition to the tax revenue deposited in the Motor
 17-47 Sports Racing reimbursement [~~trust~~] fund under Subsection (d) of
 17-48 this section, an endorsing municipality or endorsing county may
 17-49 guarantee its obligations under a motor sports racing event support
 17-50 contract and this section by pledging surcharges from user fees,
 17-51 including parking or ticket fees, charged in connection with the
 17-52 racing event.

17-53 (f) The comptroller, at the direction of the department,
 17-54 shall transfer [~~deposit~~] a portion of the state tax revenue
 17-55 determined by the department under Subsection (b)(1) of this
 17-56 section in an amount equal to 6.25 times the amount of the local
 17-57 sales and use tax revenue and mixed beverage tax revenue retained
 17-58 and the hotel occupancy tax revenue remitted by an endorsing
 17-59 municipality or endorsing county under Subsection (d) of this
 17-60 section.

17-61 (g) To meet its obligations under a motor sports racing
 17-62 event support contract or event support contract to improve,
 17-63 renovate, or acquire facilities or to acquire equipment, an
 17-64 endorsing municipality by ordinance or an endorsing county by order
 17-65 may authorize the issuance of notes. An endorsing municipality or
 17-66 endorsing county may provide that the notes be paid from and secured
 17-67 by amounts on deposit or amounts to be transferred or deposited
 17-68 into the Motor Sports Racing reimbursement [~~trust~~] fund or surcharges
 17-69 from user fees, including parking or ticket fees, charged in

18-1 connection with the racing event. Any note issued must mature not
18-2 later than seven years from its date of issuance.

18-3 (h) The money [~~fun~~] in the Motor Sports Racing
18-4 reimbursement [~~trust~~] fund may be used to pay the principal of and
18-5 interest on notes issued by an endorsing municipality or endorsing
18-6 county under Subsection (g) of this section and to fulfill
18-7 obligations of the state or an endorsing municipality or endorsing
18-8 county to a site selection organization under a motor sports racing
18-9 event support contract or event support contract, which obligations
18-10 may include the payment of costs relating to the preparations
18-11 necessary or desirable for the conduct of the racing event and the
18-12 payment of costs of conducting the racing event, including
18-13 temporary improvements or temporary renovations to existing
18-14 facilities or other facilities specific to the event.

18-15 (i) A local organizing committee, endorsing municipality,
18-16 or endorsing county shall provide information required by the
18-17 department [~~comptroller~~] to enable the department [~~comptroller~~] to
18-18 fulfill the department's [~~comptroller's~~] duties under this section,
18-19 including annual audited statements of any financial records
18-20 required by a site selection organization and data obtained by the
18-21 local organizing committee, an endorsing municipality, or an
18-22 endorsing county relating to attendance at the motor sports racing
18-23 event and to the economic impact of the racing event. A local
18-24 organizing committee, endorsing municipality, or endorsing county
18-25 must provide an annual audited financial statement required by the
18-26 department [~~comptroller~~], if any, not later than the end of the
18-27 fourth month after the date the period covered by the financial
18-28 statement ends.

18-29 (j) The department [~~comptroller~~] shall provide an estimate
18-30 not later than three months before the date of a motor sports racing
18-31 event of the total amount of tax revenue that would be transferred
18-32 to or deposited in the Motor Sports Racing reimbursement [~~trust~~]
18-33 fund under this section in connection with that racing event, if the
18-34 racing event were to be held in this state at a site selected
18-35 pursuant to an application by a local organizing committee,
18-36 endorsing municipality, or endorsing county. The department
18-37 [~~comptroller~~] shall provide the estimate on request to a local
18-38 organizing committee, endorsing municipality, or endorsing county.
18-39 A local organizing committee, endorsing municipality, or endorsing
18-40 county may submit the department's [~~comptroller's~~] estimate to a
18-41 site selection organization.

18-42 (k) The department [~~comptroller~~] may make a disbursement
18-43 from the Motor Sports Racing reimbursement [~~trust~~] fund on the
18-44 prior approval of each contributing endorsing municipality or
18-45 endorsing county for a purpose for which an endorsing municipality
18-46 or endorsing county or the state is obligated under a motor sports
18-47 racing event support contract or event support contract. A
18-48 disbursement may not be made from the [~~trust~~] fund that the
18-49 department [~~comptroller~~] determines would be used for the purpose
18-50 of soliciting the relocation of a professional sports franchise
18-51 located in this state.

18-52 (l) If a disbursement is made from the Motor Sports Racing
18-53 reimbursement [~~trust~~] fund under Subsection (k) of this section,
18-54 the obligation shall be satisfied proportionately from the state
18-55 and local revenue in the [~~trust~~] fund.

18-56 (m) On payment of all state, municipal, or county
18-57 obligations under a motor sports racing support contract or event
18-58 support contract related to the location of any particular racing
18-59 event in the state, the department [~~comptroller~~] shall remit to
18-60 each endorsing entity, in proportion to the amount contributed by
18-61 the entity, any money remaining in the [~~trust~~] fund.

18-62 (o) The department [~~comptroller~~] may not undertake any of
18-63 the responsibilities or duties set forth in this section unless a
18-64 request is submitted by the municipality and the county in which the
18-65 motor sports racing event will be held. The request must be
18-66 accompanied by documentation from a site selection organization
18-67 selecting the site for the racing event.

18-68 SECTION 2.11. The heading to Section 5C, Chapter 1507 (S.B.
18-69 456), Acts of the 76th Legislature, Regular Session, 1999 (Article

19-1 5190.14, Vernon's Texas Civil Statutes), is amended to read as
 19-2 follows:

19-3 Sec. 5C. EVENTS REIMBURSEMENT [~~TRUST~~] FUND FOR CERTAIN
 19-4 MUNICIPALITIES AND COUNTIES.

19-5 SECTION 2.12. Sections 5C(b), (b-1), (c), (c-1), (d),
 19-6 (d-1), (e), (f), (g), (h), (i), (j), (k), (k-1), (k-2), (l), (m),
 19-7 (o), (p), (q), (r), and (t), Chapter 1507 (S.B. 456), Acts of the
 19-8 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's
 19-9 Texas Civil Statutes), are amended to read as follows:

19-10 (b) If a site selection organization selects a site for an
 19-11 event in this state pursuant to an application by a local organizing
 19-12 committee, endorsing municipality, or endorsing county, not later
 19-13 than three months before the date of the event, the department
 19-14 [~~comptroller~~] shall determine for the 30-day period that ends at
 19-15 the end of the day after the date on which the event will be held or,
 19-16 if the event occurs on more than one day, after the last date on
 19-17 which the event will be held, in accordance with procedures
 19-18 developed by the department [~~comptroller~~]:

19-19 (1) the incremental increase in the receipts to this
 19-20 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax
 19-21 Code, and under Title 5, Alcoholic Beverage Code, within the market
 19-22 areas designated under Subsection (c) of this section, that is
 19-23 directly attributable, as determined by the department
 19-24 [~~comptroller~~], to the preparation for and presentation of the event
 19-25 and related activities;

19-26 (2) the incremental increase in the receipts collected
 19-27 by this state on behalf of each endorsing municipality in the market
 19-28 area from the sales and use tax imposed by each endorsing
 19-29 municipality under Section 321.101(a), Tax Code, and the mixed
 19-30 beverage tax revenue to be received by each endorsing municipality
 19-31 under Section 183.051(b), Tax Code, that is directly attributable,
 19-32 as determined by the department [~~comptroller~~], to the preparation
 19-33 for and presentation of the event and related activities;

19-34 (3) the incremental increase in the receipts collected
 19-35 by this state on behalf of each endorsing county in the market area
 19-36 from the sales and use tax imposed by each endorsing county under
 19-37 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to
 19-38 be received by each endorsing county under Section 183.051(b), Tax
 19-39 Code, that is directly attributable, as determined by the
 19-40 department [~~comptroller~~], to the preparation for and presentation
 19-41 of the event and related activities;

19-42 (4) the incremental increase in the receipts collected
 19-43 by each endorsing municipality in the market area from the hotel
 19-44 occupancy tax imposed under Chapter 351, Tax Code, that is directly
 19-45 attributable, as determined by the department [~~comptroller~~], to the
 19-46 preparation for and presentation of the event and related
 19-47 activities; and

19-48 (5) the incremental increase in the receipts collected
 19-49 by each endorsing county in the market area from the hotel occupancy
 19-50 tax imposed under Chapter 352, Tax Code, that is directly
 19-51 attributable, as determined by the department [~~comptroller~~], to the
 19-52 preparation for and presentation of the event and related
 19-53 activities.

19-54 (b-1) The number of requests for funding under this section
 19-55 that may be submitted by an endorsing county or endorsing
 19-56 municipality during any 12-month period for an event for which the
 19-57 department [~~comptroller~~] determines that the total amount of the
 19-58 incremental increase in tax receipts under Subsection (b) of this
 19-59 section is less than \$200,000 is limited to, during any 12-month
 19-60 period, not more than 10 events, only three of which may be
 19-61 nonsporting events.

19-62 (c) For the purposes of Subsection (b)(1) of this section,
 19-63 the department [~~comptroller~~] shall designate as a market area for
 19-64 the event each area in which the department [~~comptroller~~]
 19-65 determines there is a reasonable likelihood of measurable economic
 19-66 impact directly attributable to the preparation for and
 19-67 presentation of the event and related activities, including areas
 19-68 likely to provide venues, accommodations, and services in
 19-69 connection with the event based on the proposal provided by the

20-1 local organizing committee to the department [~~comptroller~~]. The
 20-2 department [~~comptroller~~] shall determine the geographic boundaries
 20-3 of each market area. An endorsing municipality or endorsing county
 20-4 that has been selected as the site for the event must be included in
 20-5 a market area for the event.

20-6 (c-1) The department [~~comptroller~~] shall base the
 20-7 determination specified by Subsection (b) of this section on
 20-8 information submitted by the local organizing committee, endorsing
 20-9 municipality, or endorsing county, and must make the determination
 20-10 not later than the 30th day after the date the department
 20-11 [~~comptroller~~] receives the information.

20-12 (d) Each endorsing municipality or endorsing county shall
 20-13 remit to the comptroller and the comptroller shall deposit into a
 20-14 [~~trust~~] fund created by the comptroller, at the direction of the
 20-15 department, and designated as the Events reimbursement [~~trust~~] fund
 20-16 the amount of the municipality's or county's hotel occupancy tax
 20-17 revenue determined by the department under Subsection (b)(4) or (5)
 20-18 of this section, less any amount of the revenue that the
 20-19 municipality or county determines is necessary to meet the
 20-20 obligations of the municipality or county. The comptroller, at the
 20-21 direction of the department, shall retain the amount of sales and
 20-22 use tax revenue and mixed beverage tax revenue determined by the
 20-23 department under Subsection (b)(2) or (3) of this section from the
 20-24 amounts otherwise required to be sent to the municipality under
 20-25 Sections 321.502 and 183.051(b), Tax Code, or to the county under
 20-26 Sections 323.502 and 183.051(b), Tax Code, and deposit into the
 20-27 [~~trust~~] fund the tax revenues, less any amount of the revenue that
 20-28 the municipality or county determines is necessary to meet the
 20-29 obligations of the municipality or county. The comptroller shall
 20-30 begin retaining and depositing the local tax revenues with the
 20-31 first distribution of that tax revenue that occurs after the first
 20-32 day of the period described by Subsection (b) of this section or at
 20-33 a time otherwise determined to be practicable by the department
 20-34 [~~comptroller~~] and shall discontinue retaining the local tax
 20-35 revenues under this subsection when the amount of the applicable
 20-36 tax revenue determined by the department under Subsection (b)(2) or
 20-37 (3) of this section has been retained. The Events reimbursement
 20-38 [~~trust~~] fund is established outside the state treasury and is held
 20-39 in trust by the comptroller for administration of this section.
 20-40 Money in the [~~trust~~] fund may be disbursed by the department
 20-41 [~~comptroller~~] without appropriation only as provided by this
 20-42 section.

20-43 (d-1) Not later than the 90th day after the last day of an
 20-44 event and in lieu of the local tax revenues remitted [~~to~~] or
 20-45 retained [~~by the comptroller~~] under Subsection (d) of this section,
 20-46 a municipality or county may remit to the department [~~comptroller~~]
 20-47 for deposit in the Events reimbursement [~~trust~~] fund other local
 20-48 funds in an amount equal to the total amount of local tax revenue
 20-49 determined by the department under Subsections (b)(2) through (5)
 20-50 of this section. The amount deposited by the department
 20-51 [~~comptroller~~] into the Events reimbursement [~~trust~~] fund under this
 20-52 subsection is subject to Subsection (f) of this section.

20-53 (e) In addition to the tax revenue deposited in the Events
 20-54 reimbursement [~~trust~~] fund under Subsection (d) of this section, an
 20-55 endorsing municipality or endorsing county may guarantee its
 20-56 obligations under an event support contract and this section by
 20-57 pledging surcharges from user fees, including parking or ticket
 20-58 fees, charged in connection with the event. An endorsing
 20-59 municipality or endorsing county may collect and remit to the
 20-60 department [~~comptroller~~] surcharges and user fees attributable to
 20-61 the event for deposit into the Events reimbursement [~~trust~~] fund.

20-62 (f) The comptroller, at the direction of the department,
 20-63 shall transfer [~~deposit~~] into the Events reimbursement [~~trust~~] fund
 20-64 a portion of the state tax revenue not to exceed the amount
 20-65 determined by the department under Subsection (b)(1) of this
 20-66 section in an amount equal to 6.25 times the amount of the local tax
 20-67 revenue retained or remitted under this section, including:

- 20-68 (1) local sales and use tax revenue;
- 20-69 (2) mixed beverage tax revenue;

21-1 (3) hotel occupancy tax revenue; and

21-2 (4) surcharge and user fee revenue.

21-3 (g) To meet its obligations under an event support contract
21-4 to improve, construct, renovate, or acquire facilities or to
21-5 acquire equipment, an endorsing municipality by ordinance or an
21-6 endorsing county by order may authorize the issuance of notes. An
21-7 endorsing municipality or endorsing county may provide that the
21-8 notes be paid from and secured by amounts on deposit or amounts to
21-9 be transferred or deposited into the Events reimbursement [~~trust~~]
21-10 fund or surcharges from user fees, including parking or ticket
21-11 fees, charged in connection with the event. Any note issued must
21-12 mature not later than seven years from its date of issuance.

21-13 (h) The money in the Events reimbursement [~~trust~~] fund may
21-14 be used to pay the principal of and interest on notes issued by an
21-15 endorsing municipality or endorsing county under Subsection (g) of
21-16 this section and to fulfill obligations of this state or an
21-17 endorsing municipality or endorsing county to a site selection
21-18 organization under an event support contract. Subject to
21-19 Subsection (k) of this section, the obligations may include the
21-20 payment of costs relating to the preparations necessary for the
21-21 conduct of the event and the payment of costs of conducting the
21-22 event, including improvements or renovations to existing
21-23 facilities or other facilities and costs of acquisition or
21-24 construction of new facilities or other facilities.

21-25 (i) A local organizing committee, endorsing municipality,
21-26 or endorsing county shall provide information required by the
21-27 department [~~comptroller~~] to enable the department [~~comptroller~~]
21-28 to fulfill the department's [~~comptroller's~~] duties under this section,
21-29 including annual audited statements of any financial records
21-30 required by a site selection organization and data obtained by the
21-31 local organizing committee, an endorsing municipality, or an
21-32 endorsing county relating to attendance at the event, including an
21-33 estimate of the number of people expected to attend the event who
21-34 are not residents of this state, and to the economic impact of the
21-35 event. A local organizing committee, endorsing municipality, or
21-36 endorsing county must provide an annual audited financial statement
21-37 required by the department [~~comptroller~~], if any, not later than
21-38 the end of the fourth month after the date the period covered by the
21-39 financial statement ends. After the conclusion of an event and on
21-40 the department's [~~comptroller's~~] request, a local organizing
21-41 committee, endorsing municipality, or endorsing county must
21-42 provide information relating to the event, such as attendance
21-43 figures, including an estimate of the number of people who are not
21-44 residents of this state who attended the event, financial
21-45 information, or other public information held by the local
21-46 organizing committee, endorsing municipality, or endorsing county
21-47 that the department [~~comptroller~~] considers necessary.

21-48 (j) The department [~~comptroller~~] shall provide an estimate
21-49 not later than three months before the date of an event of the total
21-50 amount of tax revenue that would be transferred into or deposited in
21-51 the Events reimbursement [~~trust~~] fund under this section in
21-52 connection with that event, if the event were to be held in this
21-53 state at a site selected pursuant to an application by a local
21-54 organizing committee, endorsing municipality, or endorsing county.
21-55 The department [~~comptroller~~] shall provide the estimate on request
21-56 to a local organizing committee, endorsing municipality, or
21-57 endorsing county. A local organizing committee, endorsing
21-58 municipality, or endorsing county may submit the department's
21-59 [~~comptroller's~~] estimate to a site selection organization.

21-60 (k) The department [~~comptroller~~] may make a disbursement
21-61 from the Events reimbursement [~~trust~~] fund on the prior approval of
21-62 each contributing endorsing municipality or endorsing county for a
21-63 purpose for which a local organizing committee, an endorsing
21-64 municipality, or an endorsing county or this state is obligated
21-65 under an event support contract, including an obligation to pay
21-66 costs incurred in the conduct of the event and costs incurred in
21-67 making preparations necessary for the event. If an obligation is
21-68 incurred under an event support contract to make a structural
21-69 improvement to the site or to add a fixture to the site for purposes

22-1 of an event and that improvement or fixture is expected to derive
 22-2 most of its value in subsequent uses of the site for future events,
 22-3 a disbursement from the [~~trust~~] fund made for purposes of that
 22-4 obligation is limited to five percent of the cost of the improvement
 22-5 or fixture and the remainder of the obligation is not eligible for a
 22-6 disbursement from the [~~trust~~] fund, unless the improvement or
 22-7 fixture is for a publicly owned facility. In considering whether to
 22-8 make a disbursement from the [~~trust~~] fund, the department
 22-9 [~~comptroller~~] may not consider a contingency clause in an event
 22-10 support contract as relieving a local organizing committee's,
 22-11 endorsing municipality's, or endorsing county's obligation to pay a
 22-12 cost under the contract.

22-13 (k-1) A disbursement may not be made from the trust fund
 22-14 that the department [~~comptroller~~] determines would be used for the
 22-15 purpose of:

22-16 (1) soliciting the relocation of a professional sports
 22-17 franchise located in this state;

22-18 (2) constructing an arena, stadium, or convention
 22-19 center; or

22-20 (3) conducting usual and customary maintenance of a
 22-21 facility.

22-22 (k-2) Subsection (k-1) of this section does not prohibit:

22-23 (1) a disbursement from the [~~trust~~] fund for the
 22-24 construction of temporary structures within an arena, stadium, or
 22-25 convention, if those temporary structures are necessary for the
 22-26 conduct of the event; or

22-27 (2) temporary maintenance of a facility that is
 22-28 necessary for the preparation for or conduct of the event.

22-29 (l) If a disbursement is made from the Events reimbursement
 22-30 [~~trust~~] fund under Subsection (k) of this section, the obligation
 22-31 shall be satisfied proportionately from the state and local revenue
 22-32 in the [~~trust~~] fund.

22-33 (m) On payment of all state, municipal, or county
 22-34 obligations under an event support contract related to the location
 22-35 of any particular event in this state, the department [~~comptroller~~]
 22-36 shall remit to each endorsing entity, in proportion to the amount
 22-37 contributed by the entity, any money remaining in the Events
 22-38 reimbursement [~~trust~~] fund.

22-39 (n) The department [~~comptroller~~] may not undertake any of
 22-40 the responsibilities or duties set forth in this section unless a
 22-41 request is submitted by the municipality or the county in which the
 22-42 event will be located. The request must be accompanied by
 22-43 documentation from a site selection organization selecting the site
 22-44 for the event.

22-45 (o) The department [~~comptroller~~] may adopt rules necessary
 22-46 to implement this section.

22-47 (p) In determining the amount of state revenue available
 22-48 under Subsection (b)(1) of this section, the department
 22-49 [~~comptroller~~] may consider whether:

22-50 (1) the event has been held in this state on previous
 22-51 occasions; and

22-52 (2) changes to the character of the event could affect
 22-53 the incremental increase in receipts collected and remitted to the
 22-54 state by an endorsing county or endorsing municipality under that
 22-55 subsection.

22-56 (q) The department [~~comptroller~~] may adopt a model event
 22-57 support contract and make the contract available on the
 22-58 department's [~~comptroller's~~] Internet website. The adoption by
 22-59 the department [~~comptroller~~] of a model event support contract
 22-60 under this subsection does not require use of the model event
 22-61 support contract for purposes of this section.

22-62 (r) After the conclusion of an event, the department
 22-63 [~~comptroller~~] shall compare information on the actual attendance
 22-64 figures provided to the department [~~comptroller~~] under Subsection
 22-65 (i) of this section with the estimated attendance numbers used to
 22-66 determine the incremental increase in tax receipts under Subsection
 22-67 (b) of this section. If the actual attendance figures are
 22-68 significantly lower than the estimated attendance numbers, the
 22-69 department [~~comptroller~~] may reduce the amount of a disbursement

23-1 for an endorsing entity under the Events reimbursement [~~trust~~] fund
 23-2 in proportion to the discrepancy between the actual and estimated
 23-3 attendance and in proportion to the amount contributed to the fund
 23-4 by the entity. The department [~~comptroller~~] by rule shall define
 23-5 "significantly lower" for purposes of this subsection and provide
 23-6 the manner in which a disbursement may be proportionately reduced.
 23-7 This subsection does not affect the remittance of any money
 23-8 remaining in the fund in accordance with Subsection (m) of this
 23-9 section.

23-10 SECTION 2.13. Sections 6(a) and (b), Chapter 1507 (S.B.
 23-11 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
 23-12 5190.14, Vernon's Texas Civil Statutes), are amended to read as
 23-13 follows:

23-14 (a) Except as provided by Subsections (b) and (d) of this
 23-15 section, an endorsing municipality or endorsing county must hold an
 23-16 election in the municipality or county to determine whether the
 23-17 municipality or county may contribute a portion of its sales and use
 23-18 taxes to the Olympic Games reimbursement [~~trust~~] fund under Section
 23-19 5 of this Act. The election must be held on a uniform election date
 23-20 before the date a site selection organization requires the
 23-21 endorsing municipality or endorsing county and the state to enter
 23-22 into a joinder undertaking relating to the applicable games.

23-23 (b) If an endorsing municipality or endorsing county is
 23-24 required to hold an election under this section and the
 23-25 contribution of a portion of the municipality's or county's sales
 23-26 and use taxes to the Olympic Games reimbursement [~~trust~~] fund under
 23-27 Section 5 of this Act is not approved by a majority of the voters
 23-28 voting in the election:

23-29 (1) the comptroller may not establish the Olympic
 23-30 Games reimbursement [~~trust~~] fund under Section 5 of this Act, may
 23-31 not retain the municipality's or county's tax revenue under Section
 23-32 5(d) of this Act from amounts otherwise required to be sent to that
 23-33 municipality or county, and may not transfer [~~deposit~~] any state
 23-34 tax revenue into the trust fund;

23-35 (2) the department [~~comptroller~~] is not required to
 23-36 determine the incremental increase in state, county, or municipal
 23-37 tax revenue under Section 5(b) of this Act; and

23-38 (3) the department may not enter into a games support
 23-39 contract relating to the games for which the municipality or county
 23-40 has authorized a bid on its behalf.

23-41 SECTION 2.14. Section 7(f), Chapter 1507 (S.B. 456), Acts
 23-42 of the 76th Legislature, Regular Session, 1999 (Article 5190.14,
 23-43 Vernon's Texas Civil Statutes), is amended to read as follows:

23-44 (f) The department may agree to execute a joinder
 23-45 undertaking, a joinder agreement, or other games support contract
 23-46 only if:

23-47 (1) the department determines that:

23-48 (A) the state's assurances and obligations under
 23-49 the undertaking, agreement, or contract are reasonable; and

23-50 (B) any financial commitments of the state will
 23-51 be satisfied exclusively by recourse to the Pan American Games
 23-52 reimbursement [~~trust~~] fund or the Olympic Games reimbursement
 23-53 [~~trust~~] fund, as applicable; and

23-54 (2) the endorsing municipality or endorsing county has
 23-55 executed an agreement with a site selection organization that
 23-56 contains substantially similar terms.

23-57 SECTION 2.15. The following laws are repealed:

23-58 (1) Section 5C(s), Chapter 1507 (S.B. 456), Acts of
 23-59 the 76th Legislature, Regular Session, 1999 (Article 5190.14,
 23-60 Vernon's Texas Civil Statutes); and

23-61 (2) Chapter 398, Local Government Code.

23-62 SECTION 2.16. As soon as is practicable after the effective
 23-63 date of this Act, but not later than September 10, 2015, the office
 23-64 of the governor and the comptroller of public accounts shall
 23-65 develop and adopt a memorandum of understanding that:

23-66 (1) identifies in detail the applicable powers and
 23-67 duties of the comptroller that are being transferred to the office
 23-68 of the governor as a result of this Act; and

23-69 (2) establishes a plan for the identification and

24-1 transfer of records, property, and unspent appropriations of the
24-2 comptroller that are used for purposes of managing the funds
24-3 transferred to the office of the governor.

24-4 SECTION 2.17. (a) Not later than September 10, 2015:

24-5 (1) the administration of the Pan American Games
24-6 reimbursement fund, Olympic Games reimbursement fund, Major Events
24-7 reimbursement fund, Motor Sports Racing reimbursement fund, and
24-8 Events reimbursement fund for sporting and non-sporting events
24-9 shall be transferred from the comptroller of public accounts to the
24-10 Texas Economic Development and Tourism Office;

24-11 (2) all rules, forms, policies, procedures, or
24-12 decisions of the comptroller that are related to the Pan American
24-13 Games reimbursement fund, Olympic Games reimbursement fund, Major
24-14 Events reimbursement fund, Motor Sports Racing reimbursement fund,
24-15 and Events reimbursement fund for sporting and non-sporting events
24-16 are continued in effect as rules, forms, policies, procedures, or
24-17 decisions of the economic development and tourism division, office
24-18 of the governor, until superseded by a rule or other appropriate act
24-19 of the Texas Economic Development and Tourism Office; and

24-20 (3) a reference in law or administrative rule to the
24-21 comptroller relating to the decisions for and administration of the
24-22 Pan American Games reimbursement fund, Olympic Games reimbursement
24-23 fund, Major Events reimbursement fund, Motor Sports Racing
24-24 reimbursement fund, and Events reimbursement fund for sporting and
24-25 non-sporting events, other than a duty typically performed by the
24-26 comptroller related to a state fund, means the Texas Economic
24-27 Development and Tourism Office.

24-28 (b) Before the transfer of the administration of the Pan
24-29 American Games reimbursement fund, Olympic Games reimbursement
24-30 fund, Major Events reimbursement fund, Motor Sports Racing
24-31 reimbursement fund, and Events reimbursement fund for sporting and
24-32 non-sporting events, the comptroller and the Texas Economic
24-33 Development and Tourism Office shall coordinate the transfer of
24-34 powers and duties, including records and other items, in accordance
24-35 with the memorandum of understanding adopted under Section 16 of
24-36 this Act, to ensure a smooth transition.

24-37 SECTION 2.18. Notwithstanding the repeal by this Act of
24-38 Chapter 398, Local Government Code, a special event plan approved
24-39 under former Chapter 398 of that code before September 1, 2015, is
24-40 governed by the law as it existed immediately before the effective
24-41 date of this Act, and that law is continued in effect for that
24-42 purpose.

24-43 ARTICLE 3. EFFECTIVE DATE

24-44 SECTION 3.01. This Act takes effect September 1, 2015.

24-45 * * * * *