

By: Rodriguez of Travis

H.B. No. 1292

A BILL TO BE ENTITLED

1 AN ACT

2 relating to renaming the Major Events trust fund to the Major Events
3 Reimbursement Program.

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

5 SECTION 1. The heading to Section 5A, Chapter 1507 (S.B.
6 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
7 [5190.14](#), Vernon's Texas Civil Statutes), is amended to read as
8 follows:

9 Sec. 5A. PAYMENT OF STATE AND MUNICIPAL OR COUNTY
10 OBLIGATIONS UNDER ~~[+]~~ MAJOR EVENTS REIMBURSEMENT PROGRAM ~~[TRUST~~
11 ~~FUND]~~.

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

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

20 (1) a site selection organization selects a site
21 located in this state for the event to be held one time or, for an
22 event scheduled to be held each year for a period of years under an
23 event contract, or an event support contract, one time each year for
24 the period of years, after considering, through a highly

1 competitive selection process, one or more sites that are not
2 located in this state;

3 (2) a site selection organization selects a site in
4 this state as:

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

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

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

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

17 (d) Each endorsing municipality or endorsing county
18 participating in the Major Events Reimbursement Program shall remit
19 to the comptroller and the comptroller shall deposit into a trust
20 fund created by the comptroller and designated as the Major Events
21 reimbursement program [~~trust~~] fund the amount of the municipality's
22 or county's hotel occupancy tax revenue determined under Subsection
23 (b)(4) or (b)(5) of this section, less any amount of the revenue
24 that the municipality or county determines is necessary to meet the
25 obligations of the municipality or county. The comptroller shall
26 retain the amount of sales and use tax revenue and mixed beverage
27 tax revenue determined under Subsection (b)(2) or (b)(3) of this

1 section from the amounts otherwise required to be sent to the
2 municipality under Sections 321.502 and 183.051(b), Tax Code, or to
3 the county under Sections 323.502 and 183.051(b), Tax Code, and
4 deposit into the [~~trust~~] fund the tax revenues, less any amount of
5 the revenue that the municipality or county determines is necessary
6 to meet the obligations of the municipality or county. The
7 comptroller shall begin retaining and depositing the local tax
8 revenues with the first distribution of that tax revenue that
9 occurs after the first day of the one-year period described by
10 Subsection (b) of this section or at a time otherwise determined to
11 be practicable by the comptroller and shall discontinue retaining
12 the local tax revenues under this subsection when the amount of the
13 applicable tax revenue determined under Subsection (b)(2) or (b)(3)
14 of this section has been retained. The Major Events reimbursement
15 program [~~trust~~] fund is established outside the state treasury and
16 is held in trust by the comptroller for administration of this
17 Act. Money in the [~~trust~~] fund may be disbursed by the comptroller
18 without appropriation only as provided by this section.

19 (d-1) Not later than the 90th day after the last day of an
20 event eligible for funding under the Major Events Reimbursement
21 Program and in lieu of the local tax revenues remitted to or
22 retained by the comptroller under Subsection (d) of this section, a
23 municipality or county may remit to the comptroller for deposit in
24 the Major Events reimbursement program [~~trust~~] fund other local
25 funds in an amount equal to the total amount of local tax revenue
26 determined under Subsections (b)(2) through (5) of this
27 section. The amount deposited by the comptroller into the Major

1 Events reimbursement program [~~trust~~] fund under this subsection is
2 subject to Subsection (f) of this section.

3 (e) In addition to the tax revenue deposited in the Major
4 Events reimbursement program [~~trust~~] fund under Subsection (d) of
5 this section, an endorsing municipality or endorsing county may
6 guarantee its obligations under an event support contract and this
7 section by pledging surcharges from user fees, including parking or
8 ticket fees, charged in connection with the event. An endorsing
9 municipality or endorsing county may collect and remit to the
10 comptroller surcharges and user fees attributable to the event for
11 deposit into the Major Events reimbursement program [~~trust~~] fund.

12 (f) The comptroller shall deposit into the Major Events
13 reimbursement program [~~trust~~] fund a portion of the state tax
14 revenue not to exceed the amount determined under Subsection (b)(1)
15 of this section in an amount equal to 6.25 times the amount of the
16 local revenue retained or remitted under this section, including:

- 17 (1) local sales and use tax revenue;
18 (2) mixed beverage tax revenue;
19 (3) hotel occupancy tax revenue; and
20 (4) surcharge and user fee revenue.

21 (g) To meet its obligations under a game support contract or
22 event support contract to improve, construct, renovate, or acquire
23 facilities or to acquire equipment, an endorsing municipality by
24 ordinance or an endorsing county by order may authorize the
25 issuance of notes. An endorsing municipality or endorsing county
26 may provide that the notes be paid from and secured by amounts on
27 deposit or amounts to be deposited into the Major Events

1 reimbursement program [~~trust~~] fund or surcharges from user fees,
2 including parking or ticket fees, charged in connection with the
3 event. Any note issued must mature not later than seven years from
4 its date of issuance.

5 (h) The funds in the Major Events reimbursement program
6 [~~trust~~] fund may be used to pay the principal of and interest on
7 notes issued by an endorsing municipality or endorsing county under
8 Subsection (g) of this section and to fulfill obligations of the
9 state or an endorsing municipality or endorsing county to a site
10 selection organization under a game support contract or event
11 support contract. Subject to Subsection (k) of this section, the
12 obligations may include the payment of costs relating to the
13 preparations necessary or desirable for the conduct of the event
14 and the payment of costs of conducting the event, including
15 improvements or renovations to existing facilities or other
16 facilities and costs of acquisition or construction of new
17 facilities or other facilities.

18 (j) Not later than the 30th day after the date a request of a
19 local organizing committee, endorsing municipality, or endorsing
20 county is submitted to the comptroller under Subsection (b-1) of
21 this section, the comptroller shall provide an estimate of the
22 total amount of tax revenue that would be deposited in the Major
23 Events reimbursement program [~~trust~~] fund under this section in
24 connection with that event, if the event were to be held in this
25 state at a site selected pursuant to an application by a local
26 organizing committee, endorsing municipality, or endorsing
27 county. A local organizing committee, endorsing municipality, or

1 endorsing county may submit the comptroller's estimate to a site
2 selection organization.

3 (k) The comptroller may make a disbursement from the Major
4 Events reimbursement program [~~trust~~] fund on the prior approval of
5 each contributing endorsing municipality or endorsing county for a
6 purpose for which a local organizing committee, an endorsing
7 municipality, or an endorsing county or the state is obligated
8 under a game support contract or event support contract. If an
9 obligation is incurred under a games support contract or event
10 support contract to make a structural improvement to the site or to
11 add a fixture to the site for purposes of an event and that
12 improvement or fixture is expected to derive most of its value in
13 subsequent uses of the site for future events, a disbursement from
14 the [~~trust~~] fund made for purposes of that obligation is limited to
15 five percent of the cost of the improvement or fixture and the
16 remainder of the obligation is not eligible for a disbursement from
17 the [~~trust~~] fund, unless the improvement or fixture is for a
18 publicly owned facility. In considering whether to make a
19 disbursement from the [~~trust~~] fund, the comptroller may not
20 consider a contingency clause in an event support contract as
21 relieving a local organizing committee's, endorsing
22 municipality's, or endorsing county's obligation to pay a cost
23 under the contract. A disbursement may not be made from the
24 [~~trust~~] fund that the comptroller determines would be used for the
25 purpose of soliciting the relocation of a professional sports
26 franchise located in this state.

27 (l) If a disbursement is made from the Major Events

1 reimbursement program [~~trust~~] fund under Subsection (k), the
2 obligation shall be satisfied proportionately from the state and
3 local revenue in the [~~trust~~] fund.

4 (m) On payment of all state, municipal, or county
5 obligations under a game support contract or event support contract
6 related to the location of any particular event in the state, the
7 comptroller shall remit to each endorsing entity, in proportion to
8 the amount contributed by the entity, any money remaining in the
9 [~~trust~~] fund.

10 (w) Not later than 10 months after the last day of an event
11 eligible for disbursements from the Major Events reimbursement
12 program [~~trust~~] fund for costs associated with the event, the
13 comptroller using existing resources shall complete a study in the
14 market area of the event on the measurable economic impact directly
15 attributable to the preparation for and presentation of the event
16 and related activities. The comptroller shall post on the
17 comptroller's Internet website:

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

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

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

25 (4) any source documentation or information described
26 under Subsection (i) of this section that was relied on by the
27 comptroller in making the determination of the amount of

1 incremental increase in tax receipts under Subsection (b) of this
2 section; and

3 (5) documentation verifying that:

4 (A) a request submitted by a local organizing
5 committee, endorsing municipality, or endorsing county under
6 Subsection (p) of this section is complete and certified as such by
7 the comptroller;

8 (B) the determination on the amount of
9 incremental increases in tax receipts under Subsection (b) of this
10 section considered the information submitted by a local organizing
11 committee, endorsing municipality, or endorsing county as required
12 under Subsection (b-1) of this section; and

13 (C) each deadline established under this section
14 was timely met.

15 (y) After the conclusion of an event, the comptroller shall
16 compare information on the actual attendance figures provided to
17 the comptroller under Subsection (i) of this section with the
18 estimated attendance numbers used to determine the incremental
19 increase in tax receipts under Subsection (b) of this section. If
20 the actual attendance figures are significantly lower than the
21 estimated attendance numbers, the comptroller may reduce the amount
22 of a disbursement for an endorsing entity under the Major Events
23 reimbursement program [~~trust~~] fund in proportion to the discrepancy
24 between the actual and estimated attendance and in proportion to
25 the amount contributed to the fund by the entity. The comptroller
26 by rule shall define "significantly lower" for purposes of this
27 subsection and provide the manner in which a disbursement may be

1 proportionately reduced. This subsection does not affect the
2 remittance of any money remaining in the fund in accordance with
3 Subsection (m) of this section.

4 SECTION 3. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2015.