

By: Springer

H.B. No. 1950

A BILL TO BE ENTITLED

AN ACT

relating to a municipality's or county's eligibility to receive money disbursed from a local events trust fund.

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

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

Sec. 5C. LOCAL EVENTS TRUST FUND FOR CERTAIN MUNICIPALITIES AND COUNTIES.

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

(b-1) An endorsing county or endorsing municipality may not receive money from a Local Events trust fund to fund an event under this section if the county or municipality has received money from a Local Events trust fund under this section to fund another event held in the same calendar year. This subsection does not limit the [The] number of requests for funding under this section that may be submitted by an endorsing county or endorsing municipality during that year if previous event requests submitted during that year are determined to be ineligible for funding under this section ~~[any 12-month period for an event for which the comptroller determines~~

1 ~~that the total amount of the incremental increase in tax receipts~~  
2 ~~under Subsection (b) of this section is less than \$200,000 is~~  
3 ~~limited to, during any 12-month period, not more than 10 events,~~  
4 ~~only three of which may be nonsporting events].~~

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

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

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

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

23 (f) The comptroller shall deposit into the Local Events  
24 trust fund a portion of the state tax revenue not to exceed the  
25 amount determined under Subsection (b)(1) of this section in an  
26 amount equal to 6.25 times the amount of the local tax revenue  
27 retained or remitted under this section, including:

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

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

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

26 (j) The comptroller shall provide an estimate not later than  
27 three months before the date of an event of the total amount of tax

1 revenue that would be deposited in the Local Events trust fund under  
2 this section in connection with that event, if the event were to be  
3 held in this state at a site selected pursuant to an application by  
4 a local organizing committee, endorsing municipality, or endorsing  
5 county. The comptroller shall provide the estimate on request to a  
6 local organizing committee, endorsing municipality, or endorsing  
7 county. A local organizing committee, endorsing municipality, or  
8 endorsing county may submit the comptroller's estimate to a site  
9 selection organization.

10 (k) The comptroller may make a disbursement from the Local  
11 Events trust fund on the prior approval of each contributing  
12 endorsing municipality or endorsing county for a purpose for which  
13 a local organizing committee, an endorsing municipality, or an  
14 endorsing county or this state is obligated under an event support  
15 contract, including an obligation to pay costs incurred in the  
16 conduct of the event and costs incurred in making preparations  
17 necessary for the event. If an obligation is incurred under an  
18 event support contract to make a structural improvement to the site  
19 or to add a fixture to the site for purposes of an event and that  
20 improvement or fixture is expected to derive most of its value in  
21 subsequent uses of the site for future events, a disbursement from  
22 the trust fund made for purposes of that obligation is limited to  
23 five percent of the cost of the improvement or fixture and the  
24 remainder of the obligation is not eligible for a disbursement from  
25 the trust fund, unless the improvement or fixture is for a publicly  
26 owned facility. In considering whether to make a disbursement from  
27 the trust fund, the comptroller may not consider a contingency

1 clause in an event support contract as relieving a local organizing  
2 committee's, endorsing municipality's, or endorsing county's  
3 obligation to pay a cost under the contract.

4 (l) If a disbursement is made from the Local Events trust  
5 fund under Subsection (k) of this section, the obligation shall be  
6 satisfied proportionately from the state and local revenue in the  
7 trust fund.

8 (m) On payment of all state, municipal, or county  
9 obligations under an event support contract related to the location  
10 of any particular event in this state, the comptroller shall remit  
11 to each endorsing entity, in proportion to the amount contributed  
12 by the entity, any money remaining in the Local Events trust fund.

13 (t) After the conclusion of an event, the comptroller shall  
14 compare information on the actual attendance figures provided to  
15 the comptroller under Subsection (i) of this section with the  
16 estimated attendance numbers used to determine the incremental  
17 increase in tax receipts under Subsection (b) of this section. If  
18 the actual attendance figures are significantly lower than the  
19 estimated attendance numbers, the comptroller may reduce the amount  
20 of a disbursement for an endorsing entity under the Local Events  
21 trust fund in proportion to the discrepancy between the actual and  
22 estimated attendance and in proportion to the amount contributed to  
23 the fund by the entity. The comptroller by rule shall define  
24 "significantly lower" for purposes of this subsection and provide  
25 the manner in which a disbursement may be proportionately reduced.  
26 This subsection does not affect the remittance of any money  
27 remaining in the fund in accordance with Subsection (m) of this

1 section.

2           SECTION 3. The changes in law made by this Act apply only to  
3 a request for funding from a local events trust fund submitted on or  
4 after the effective date of this Act. A request submitted before  
5 that date is governed by the law in effect immediately before the  
6 effective date of this Act, and that law is continued in effect for  
7 that purpose.

8           SECTION 4. This Act takes effect September 1, 2015.