

By: Isaac, Bell, Anderson of McLennan

H.B. No. 3613

Substitute the following for H.B. No. 3613:

By: Button

C.S.H.B. No. 3613

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a Pan American Games trust fund, an Olympic Games trust  
3 fund, a Major Events trust fund, a Motor Sports Racing trust fund,  
4 and an Events trust fund for sporting and non-sporting events, and  
5 to the abolishment of the special event trust fund.

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

7 SECTION 1. Chapter 1507 (S.B. 456), Acts of the 76th  
8 Legislature, Regular Session, 1999 (Article 5190.14, Vernon's  
9 Texas Civil Statutes), is amended by adding Section 3A to read as  
10 follows:

11 Sec. 3A. RULES. The office of the governor shall adopt  
12 rules consistent with this Act to ensure efficient administration  
13 of the trust funds established under this Act, including rules  
14 related to application and receipt requirements.

15 SECTION 2. Sections 4(b), (c), (d), (f), (h), (j), (k), and  
16 (m), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular  
17 Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are  
18 amended to read as follows:

19 (b) If a site selection organization selects a site for the  
20 games in this state pursuant to an application by a local organizing  
21 committee acting on behalf of an endorsing municipality, after the  
22 first occurrence of a measurable economic impact in this state as a  
23 result of the preparation for the games, as determined by the  
24 department [~~comptroller~~], but in no event later than one year

1 before the scheduled opening event of the games, the department  
2 [~~comptroller~~] shall determine for each subsequent calendar  
3 quarter, in accordance with procedures developed by the department  
4 [~~comptroller~~]:

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

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

18 (3) the incremental increase in the receipts collected  
19 by the endorsing municipality from the municipality's hotel  
20 occupancy tax imposed under Chapter 351, Tax Code, that is directly  
21 attributable, as determined by the department [~~comptroller~~], to the  
22 preparation for and presentation of the games and related events.

23 (c) For the purposes of Subsection (b)(1) of this section,  
24 the department [~~comptroller~~] shall designate as a market area for  
25 the games each area in which the department [~~comptroller~~]  
26 determines there is a reasonable likelihood of measurable economic  
27 impact directly attributable to the preparation for and

1 presentation of the games and related events, including areas  
2 likely to provide venues, accommodations, and services in  
3 connection with the games based on the proposal provided by the  
4 local organizing committee under Section 7 of this Act. The  
5 department [~~comptroller~~] shall determine the geographic boundaries  
6 of each market area. The endorsing municipality that has been  
7 selected as the site for the games must be included in a market area  
8 for the games.

9 (d) The comptroller, at the direction of the department,  
10 shall retain, for the purpose of guaranteeing the joint obligations  
11 of the state and the endorsing municipality under a games support  
12 contract and this Act, the amount of municipal sales and use tax  
13 revenue determined under Subsection (b)(2) of this section from the  
14 amounts otherwise required to be sent to the municipality under  
15 Section 321.502, Tax Code, beginning with the first distribution of  
16 that tax revenue that occurs after the date the department  
17 [~~comptroller~~] makes the determination of the amount of municipal  
18 sales and use tax revenue under Subsection (b)(2). The comptroller  
19 shall discontinue retaining municipal sales and use tax revenue  
20 under this subsection on the earlier of:

21 (1) the end of the third calendar month following the  
22 month in which the closing event of the games occurs; or

23 (2) the date the amount of municipal sales and use tax  
24 revenue and municipal hotel occupancy tax revenue in the Pan  
25 American Games trust fund equals 14 percent of the maximum amount of  
26 state and municipal tax revenue that may be transferred to or  
27 deposited in the trust fund under Subsection (m) of this section.

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

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

3           (2) the date on which the amount of state revenue in  
4 the Pan American Games trust fund equals 86 percent of the maximum  
5 amount of state and municipal tax revenue that may be transferred to  
6 or deposited in the trust fund under Subsection (m) of this section.

7           (h) A local organizing committee shall provide information  
8 required by the department [~~comptroller~~] to enable the department  
9 [~~comptroller~~] to fulfill the department's [~~comptroller's~~] duties  
10 under this Act, including annual audited statements of the local  
11 organizing committee's financial records required by a site  
12 selection organization and data obtained by the local organizing  
13 committee relating to attendance at the games and to the economic  
14 impact of the games. A local organizing committee must provide an  
15 annual audited financial statement required by the department  
16 [~~comptroller~~] not later than the end of the fourth month after the  
17 date the period covered by the financial statement ends.

18           (j) The department may not make a disbursement from the Pan  
19 American Games trust fund unless the department [~~comptroller~~]  
20 certifies that the disbursement is for a purpose for which the state  
21 and the endorsing municipality are jointly obligated under a games  
22 support contract or other agreement described by Subsection (g) of  
23 this section.

24           (k) If the department [~~comptroller~~] certifies under  
25 Subsection (j) of this section that a disbursement may be made from  
26 the Pan American Games trust fund, the obligation shall be  
27 satisfied first out of municipal revenue deposited in the trust

1 fund and any interest earned on that municipal revenue. If the  
2 municipal revenue is not sufficient to satisfy the entire deficit,  
3 state revenue transferred [~~deposited~~] into the trust fund and any  
4 interest earned on that state revenue shall be used to satisfy the  
5 portion of the deficit not covered by the municipal revenue.

6 (m) In no event may:

7 (1) the total amount of state and municipal tax  
8 revenue transferred to or deposited in the Pan American Games trust  
9 fund exceed \$20 million; or

10 (2) the joint liability of the state and the endorsing  
11 municipality under a joinder agreement and any other games support  
12 contracts entered into pursuant to this Act exceed the lesser of:

13 (A) \$20 million; or

14 (B) the total amount of revenue transferred to or  
15 deposited in the Pan American Games trust fund and interest earned  
16 on the fund.

17 SECTION 3. Sections 4(i) and (l), Chapter 1507 (S.B. 456),  
18 Acts of the 76th Legislature, Regular Session, 1999 (Article  
19 [5190.14](#), Vernon's Texas Civil Statutes), as amended by Chapters 579  
20 (H.B. 1675) and 814 (S.B. 275), Acts of the 78th Legislature,  
21 Regular Session, 2003, are reenacted and amended to read as  
22 follows:

23 (i) The department [~~comptroller~~] shall provide an estimate  
24 not later than September [~~December~~] 1 [~~7-2003~~] of the year that is  
25 eight years before the year in which the games would be held in this  
26 state of the total amount of state and municipal tax revenue that  
27 would be transferred to or deposited in the Pan American Games trust

1 fund before January 1 [~~2012~~] of the year following the year in  
2 which the games would be held, if the games were to be held in this  
3 state at a site selected pursuant to an application by a local  
4 organizing committee. The department [~~comptroller~~] shall provide  
5 the estimate on request to a local organizing committee. A local  
6 organizing committee may submit the department's [~~comptroller's~~]  
7 estimate to a site selection organization.

8 (1) On January 1 [~~2013~~] of the second year following the  
9 year in which the games are held in this state, the comptroller, at  
10 the direction of the department, shall transfer to the general  
11 revenue fund any money remaining in the Pan American Games trust  
12 fund, not to exceed the amount of state revenue remaining in the  
13 trust fund, plus any interest earned on that state revenue. The  
14 comptroller shall remit to the endorsing municipality any money  
15 remaining in the trust fund after the required amount is  
16 transferred to the general revenue fund.

17 SECTION 4. Sections 5(b), (c), (d), (f), (h), (i), (j), (k),  
18 (l), and (m), Chapter 1507 (S.B. 456), Acts of the 76th Legislature,  
19 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil  
20 Statutes), are amended to read as follows:

21 (b) If a site selection organization selects a site for the  
22 games in this state pursuant to an application by a local organizing  
23 committee, after the first occurrence of a measurable economic  
24 impact in this state as a result of the preparation for the games,  
25 as determined by the department [~~comptroller~~], but in no event  
26 later than one year before the scheduled opening event of the games,  
27 the department [~~comptroller~~] shall determine for each subsequent

1 calendar quarter, in accordance with procedures developed by the  
2 department [~~comptroller~~]:

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

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

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

25 (4) the incremental increase in the receipts collected  
26 by each endorsing municipality from the hotel occupancy tax imposed  
27 under Chapter 351, Tax Code, that is directly attributable, as



1 determined by the department [~~comptroller~~], to the preparation for  
2 and presentation of the games and related events; and

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

8 (c) For the purposes of Subsection (b)(1) of this section,  
9 the department [~~comptroller~~] shall designate as a market area for  
10 the games each area in which the department [~~comptroller~~]  
11 determines there is a reasonable likelihood of measurable economic  
12 impact directly attributable to the preparation for and  
13 presentation of the games and related events, including areas  
14 likely to provide venues, accommodations, and services in  
15 connection with the games based on the proposal provided by the  
16 local organizing committee under Section 7 of this Act. The  
17 department [~~comptroller~~] shall determine the geographic boundaries  
18 of each market area. Each endorsing municipality or endorsing  
19 county that has been selected as the site for the games must be  
20 included in a market area for the games.

21 (d) Subject to Section 6 of this Act, the comptroller, at  
22 the direction of the department, shall retain, for the purpose of  
23 guaranteeing the joint obligations of the state and an endorsing  
24 municipality or endorsing county under a games support contract and  
25 this Act, the amount of sales and use tax revenue and mixed beverage  
26 tax revenue determined under Subsection (b)(2) or (b)(3) of this  
27 section from the amounts otherwise required to be sent to the

1 municipality under Section 183.051(b) or 321.502, Tax Code, or to  
2 the county under Section 183.051(b) or 323.502, Tax Code, beginning  
3 with the first distribution of that tax revenue that occurs after  
4 the date the department [~~comptroller~~] makes the determination of  
5 the amount of sales and use tax revenue and mixed beverage tax  
6 revenue under Subsection (b)(2) or (b)(3) of this section. The  
7 comptroller shall discontinue retaining sales and use tax revenue  
8 and mixed beverage tax revenue under this subsection on the earlier  
9 of:

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

12 (2) the date the amount of local sales and use tax  
13 revenue and mixed beverage tax revenue in the Olympic Games trust  
14 fund equals 14 percent of the maximum amount of state and local tax  
15 revenue that may be transferred to or deposited in the trust fund  
16 under Subsection (m) of this section.

17 (f) Subject to Subsection (m) of this section, each  
18 endorsing municipality or endorsing county shall remit to the  
19 comptroller and the comptroller, at the direction of the  
20 department, shall deposit into a trust fund designated as the  
21 Olympic Games trust fund, on a quarterly basis, the amount of the  
22 municipality's or county's hotel occupancy tax revenue determined  
23 by the department under Subsection (b)(4) or (b)(5) of this  
24 section, as applicable. Subject to Section 6 of this Act and  
25 Subsection (m) of this section, the comptroller, at the direction  
26 of the department, shall deposit into the trust fund the amount of  
27 sales and use tax revenue and mixed beverage tax revenue retained

1 under Subsection (d) of this section for the same calendar quarter  
2 and, at the same time, shall transfer to the fund the state tax  
3 revenue determined by the department under Subsection (b)(1) of  
4 this section for the quarter. The Olympic Games trust fund is  
5 established outside the treasury but is held in trust by the  
6 comptroller for the administration of this Act. Money in the trust  
7 fund may be spent by the department without appropriation only as  
8 provided by this Act. The comptroller shall discontinue transfer  
9 ~~[deposit]~~ of the amount of state tax revenue determined by the  
10 department under Subsection (b)(1) of this section on the earlier  
11 of:

12 (1) the end of the third calendar month following the  
13 month in which the closing event of the games occurs; or

14 (2) the date the amount of state revenue in the Olympic  
15 Games trust fund equals 86 percent of the maximum amount of state,  
16 municipal, and county tax revenue that may be transferred to or  
17 deposited in the trust fund under Subsection (m) of this section.

18 (h) A local organizing committee shall provide information  
19 required by the department ~~[comptroller]~~ to enable the department  
20 ~~[comptroller]~~ to fulfill the department's ~~[comptroller's]~~ duties  
21 under this Act, including annual audited statements of the local  
22 organizing committee's financial records required by a site  
23 selection organization and data obtained by the local organizing  
24 committee relating to attendance at the games and to the economic  
25 impact of the games. A local organizing committee must provide an  
26 annual audited financial statement required by the department  
27 ~~[comptroller]~~ not later than the end of the fourth month after the

1 date the period covered by the financial statement ends.

2 (i) The department [~~comptroller~~] shall provide an estimate  
3 before August 31 of the year that is 12 years before the year in  
4 which the games would be held in this state, or as soon as practical  
5 after that date, of the total amount of state, municipal, and county  
6 tax revenue that would be transferred to or deposited in the Olympic  
7 Games trust fund if the games were to be held in this state at a site  
8 selected pursuant to an application by a local organizing  
9 committee. The department [~~comptroller~~] shall provide the estimate  
10 on request to a local organizing committee. A local organizing  
11 committee may submit the department's [~~comptroller's~~] estimate to a  
12 site selection organization.

13 (j) The department may not make a disbursement from the  
14 Olympic Games trust fund unless the department [~~comptroller~~]  
15 certifies that the disbursement is for a purpose for which the state  
16 and each endorsing municipality or endorsing county are jointly  
17 obligated under a games support contract or other agreement  
18 described by Subsection (g) of this section. A disbursement may not  
19 be made from the trust fund that the department determines would be  
20 used for the purpose of soliciting the relocation of a professional  
21 sports franchise located in this state.

22 (k) If the department [~~comptroller~~] certifies under  
23 Subsection (j) of this section that a disbursement may be made from  
24 the Olympic Games trust fund, the obligation shall be satisfied  
25 proportionately from the state and municipal or county revenue in  
26 the trust fund.

27 (l) Two years after the closing event of the games, the

1 department [~~comptroller~~] shall transfer to the general revenue fund  
2 any money remaining in the Olympic Games trust fund, not to exceed  
3 the amount of state revenue remaining in the trust fund, plus any  
4 interest earned on that state revenue. The department  
5 [~~comptroller~~] shall remit to each endorsing entity in proportion to  
6 the amount contributed by the entity any money remaining in the  
7 trust fund after the required amount is transferred to the general  
8 revenue fund.

9 (m) In no event may:

10 (1) the total amount of state, municipal, and county  
11 tax revenue transferred to or deposited in the Olympic Games trust  
12 fund exceed \$100 million; or

13 (2) the joint liability of the state and an endorsing  
14 municipality or county under a joinder agreement and any other  
15 games support contracts entered into pursuant to this Act exceed  
16 the lesser of:

17 (A) \$100 million; or

18 (B) the total amount of revenue transferred to or  
19 deposited in the Olympic Games trust fund and interest earned on the  
20 fund.

21 SECTION 5. Section 5A(a), Chapter 1507 (S.B. 456), Acts of  
22 the 76th Legislature, Regular Session, 1999 (Article [5190.14](#),  
23 Vernon's Texas Civil Statutes), is amended by amending Subdivisions  
24 (1), (2), and (4) and Subdivision (5), as amended by S.B. 293, Acts  
25 of the 84th Legislature, Regular Session, 2015, to read as follows:

26 (1) "Endorsing county" means:

27 (A) a county that contains a site selected by a

1 site selection organization for one or more events; or

2 (B) a county that:

3 (i) does not contain a site selected by a  
4 site selection organization for an event;

5 (ii) is included in the market area for the  
6 event as designated by the department [~~comptroller~~]; and

7 (iii) is a party to an event support  
8 contract.

9 (2) "Endorsing municipality" means:

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

12 (B) a municipality that:

13 (i) does not contain a site selected by a  
14 site selection organization for an event;

15 (ii) is included in the market area for the  
16 event as designated by the department [~~comptroller~~]; and

17 (iii) is a party to an event support  
18 contract.

19 (4) "Event" means a Super Bowl, a National Collegiate  
20 Athletic Association Final Four tournament game, the National  
21 Basketball Association All-Star Game, the X Games, the National  
22 Hockey League All-Star Game, the Major League Baseball All-Star  
23 Game, a game of the National Collegiate Athletic Association Bowl  
24 Championship Series or its successor or a National Collegiate  
25 Athletic Association Division I Football Bowl Subdivision  
26 postseason playoff or championship game, the National Collegiate  
27 Athletic Association men's or women's lacrosse championships, a

1 World Cup Soccer game, the World Cup soccer tournament, the Major  
2 League Soccer All-Star Game, the Major League Soccer Cup, a  
3 Professional Rodeo Cowboys Association Finals event, an Elite Rodeo  
4 Association World Championship, the United States Open  
5 Championship, the World Games, a national collegiate championship  
6 of an amateur sport sanctioned by the national governing body of the  
7 sport that is recognized by the United States Olympic Committee, an  
8 Olympic activity, including a Junior or Senior activity, training  
9 program, or feeder program sanctioned by the United States Olympic  
10 Committee's Community Olympic Development Program, the Amateur  
11 Athletic Union Junior Olympic Games, a mixed martial arts  
12 championship, the Breeders' Cup World Championships, a Formula One  
13 automobile race, the Moto Grand Prix of the United States, the  
14 Academy of Country Music Awards, the National Cutting Horse  
15 Association Triple Crown, a national political convention of the  
16 Republican National Committee or the Democratic National  
17 Committee, a presidential general election debate, or the largest  
18 event held each year at a sports entertainment venue in this state  
19 with a permanent seating capacity, including grandstand and premium  
20 seating, of not less than 125,000. The term includes any  
21 activities related to or associated with an event.

22 (5) "Site selection organization" means:

23 (A) the National Football League, the National  
24 Collegiate Athletic Association, the National Basketball  
25 Association, ESPN or an affiliate, the National Hockey League,  
26 Major League Baseball, the Federation Internationale de Football  
27 Association (FIFA), the International World Games Association, the

1 National Association for Stock Car Auto Racing (NASCAR), Dorna  
2 Sports, the Amateur Athletic Union, the Professional Rodeo Cowboys  
3 Association, the Elite Rodeo Association, Major League Soccer, the  
4 United States Golf Association, or the United States Olympic  
5 Committee;

6 (B) the national governing body of a sport that  
7 is recognized by the United States Olympic Committee, the National  
8 Thoroughbred Racing Association, Formula One Management Limited,  
9 or the Federation Internationale de l'Automobile;

10 (C) the Academy of Country Music;

11 (D) the National Cutting Horse Association;

12 (E) the Republican National Committee or the  
13 Democratic National Committee; [~~or~~]

14 (F) the Ultimate Fighting Championship; or

15 (G) the Commission on Presidential Debates.

16 SECTION 6. Section 5A, Chapter 1507 (S.B. 456), Acts of the  
17 76th Legislature, Regular Session, 1999 (Article [5190.14](#), Vernon's  
18 Texas Civil Statutes), is amended by amending Subsections (a-1),  
19 (a-2), (b), (b-1), (c), (d), (d-1), (e), (f), (i), (j), (k), (l),  
20 (m), (p), (v), (w), and (y) and adding Subsection (a-3) to read as  
21 follows:

22 (a-1) An event not listed in Subsection (a)(4) of this  
23 section is ineligible for funding under this section. A listed  
24 event may receive funding under this section only if:

25 (1) a site selection organization selects a site  
26 located in this state for the event to be held one time or, for an  
27 event scheduled to be held each year for a period of years under an



1 event contract, or an event support contract, one time each year for  
2 the period of years, after considering, through a highly  
3 competitive selection process, one or more sites that are not  
4 located in this state;

5 (2) a site selection organization selects a site in  
6 this state as:

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

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

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

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

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

1 Subsection (a-1)(1) of this section.

2 (a-3) For purposes of Subsection (a-1) of this section, each  
3 presidential general election debate in a series of presidential  
4 debates before a general election is considered a separate, single  
5 event.

6 (b) If a site selection organization selects a site for an  
7 event in this state pursuant to an application by a local organizing  
8 committee, endorsing municipality, or endorsing county, upon  
9 request of a local organizing committee, endorsing municipality, or  
10 endorsing county, the department [~~comptroller~~] shall determine for  
11 a one-year period that begins two months before the date on which  
12 the event will begin, in accordance with procedures developed by  
13 the department [~~comptroller~~]:

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

21 (2) the incremental increase in the receipts collected  
22 by the state on behalf of each endorsing municipality in the market  
23 area from the sales and use tax imposed by each endorsing  
24 municipality under Section 321.101(a), Tax Code, and the mixed  
25 beverage tax revenue to be received by each endorsing municipality  
26 under Section 183.051(b), Tax Code, that is directly attributable,  
27 as determined by the department [~~comptroller~~], to the preparation

1 for and presentation of the event and related activities;

2 (3) the incremental increase in the receipts collected  
3 by the state on behalf of each endorsing county in the market area  
4 from the sales and use tax imposed by each endorsing county under  
5 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to  
6 be received by each endorsing county under Section 183.051(b), Tax  
7 Code, that is directly attributable, as determined by the  
8 department [~~comptroller~~], to the preparation for and presentation  
9 of the event and related activities;

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

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

22 (b-1) A request for a determination of the amount of  
23 incremental increase in tax receipts specified by Subsection (b) of  
24 this section must be submitted to the department [~~comptroller~~] not  
25 earlier than one year and not later than 45 days before the date the  
26 event begins. The department [~~comptroller~~] shall base the  
27 determination specified by Subsection (b) of this section on

1 information submitted by the local organizing committee, endorsing  
2 municipality, or endorsing county, and must make the determination  
3 not later than the 30th day after the date the department  
4 [~~comptroller~~] receives the request and related information.

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

18 (d) Each endorsing municipality or endorsing county shall  
19 remit to the comptroller and the comptroller shall deposit into a  
20 trust fund created by the comptroller, at the direction of the  
21 department, and designated as the Major Events trust fund the  
22 amount of the municipality's or county's hotel occupancy tax  
23 revenue determined by the department under Subsection (b)(4) or  
24 (b)(5) of this section, less any amount of the revenue that the  
25 municipality or county determines is necessary to meet the  
26 obligations of the municipality or county. The comptroller, at the  
27 direction of the department, shall retain the amount of sales and

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

22 (d-1) Not later than the 90th day after the last day of an  
23 event and in lieu of the local tax revenues remitted [~~to~~] or  
24 retained [~~by the comptroller~~] under Subsection (d) of this section,  
25 a municipality or county may remit to the department [~~comptroller~~]  
26 for deposit in the Major Events trust fund other local funds in an  
27 amount equal to the total amount of local tax revenue determined by

1 the department under Subsections (b)(2) through (5) of this  
2 section. The amount deposited by the department [~~comptroller~~]  
3 into the Major Events trust fund under this subsection is subject to  
4 Subsection (f) of this section.

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

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

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

24 (i) A local organizing committee, endorsing municipality,  
25 or endorsing county shall provide information required by the  
26 department [~~comptroller~~] to enable the department [~~comptroller~~] to  
27 fulfill the department's [~~comptroller's~~] duties under this section,

1 including annual audited statements of any financial records  
2 required by a site selection organization and data obtained by the  
3 local organizing committee, an endorsing municipality, or an  
4 endorsing county relating to attendance at the event, including an  
5 estimate of the number of people expected to attend the event who  
6 are not residents of this state, and to the economic impact of the  
7 event. A local organizing committee, endorsing municipality, or  
8 endorsing county must provide an annual audited financial statement  
9 required by the department [~~comptroller~~], if any, not later than  
10 the end of the fourth month after the date the period covered by the  
11 financial statement ends. After the conclusion of an event and on  
12 the department's [~~comptroller's~~] request, a local organizing  
13 committee, endorsing municipality, or endorsing county must  
14 provide information relating to the event, such as attendance  
15 figures, including an estimate of the number of attendees at the  
16 event who are not residents of this state, financial information,  
17 or other public information held by the local organizing committee,  
18 endorsing municipality, or endorsing county that the department  
19 [~~comptroller~~] considers necessary.

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

1 organizing committee, endorsing municipality, or endorsing  
2 county. A local organizing committee, endorsing municipality, or  
3 endorsing county may submit the department's [~~comptroller's~~]  
4 estimate to a site selection organization.

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



1 located in this state.

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

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

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

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

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

18 (3) the request is accompanied by documentation from a  
19 site selection organization selecting the site for the event.

20 (v) The department [~~comptroller~~] may adopt rules necessary  
21 to implement this section.

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

1 activities. The department [~~comptroller~~] shall post on the  
2 department's [~~comptroller's~~] Internet website:

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

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

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

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

17 (5) documentation verifying that:

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

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

27 (C) each deadline established under this section

1 was timely met.

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

19 SECTION 7. Sections 5B(b), (c), (d), (f), (g), (i), (j),  
20 (k), (m), and (o), Chapter 1507 (S.B. 456), Acts of the 76th  
21 Legislature, Regular Session, 1999 (Article [5190.14](#), Vernon's  
22 Texas Civil Statutes), are amended to read as follows:

23 (b) If a site selection organization selects a site for a  
24 motor sports racing event in this state pursuant to an application  
25 by a local organizing committee, endorsing municipality, or  
26 endorsing county, not later than three months before the date of the  
27 motor sports racing event, the department [~~comptroller~~] shall

1 determine for the 30-day period that ends at the end of the day  
2 after the date on which the racing event will be held, in accordance  
3 with procedures developed by the department [~~comptroller~~]:

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

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

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

27 (4) the incremental increase in the receipts collected

1 by each endorsing municipality in the market area from the hotel  
2 occupancy tax imposed under Chapter 351, Tax Code, that is directly  
3 attributable, as determined by the department [~~comptroller~~], to the  
4 preparation for and presentation of the racing event; and

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

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

25 (d) Each endorsing municipality or endorsing county shall  
26 remit to the comptroller and the comptroller shall deposit into a  
27 trust fund created by the comptroller, at the direction of the

1 department, and designated as the Motor Sports Racing trust fund  
2 for the particular event the amount of the municipality's or  
3 county's hotel occupancy tax revenue determined by the department  
4 under Subsection (b)(4) or (5) of this section, 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, at the direction of the department, shall retain the  
8 amount of sales and use tax revenue and mixed beverage tax revenue  
9 determined by the department under Subsection (b)(2) or (3) of this  
10 section from the amounts otherwise required to be sent to the  
11 municipality under Sections 321.502 and 183.051(b), Tax Code, or to  
12 the county under Sections 323.502 and 183.051(b), Tax Code, and  
13 deposit into the trust fund the tax revenues, less any amount of the  
14 revenue that the municipality or county determines is necessary to  
15 meet the obligations of the municipality or county. The  
16 comptroller shall begin retaining and depositing the local tax  
17 revenues with the first distribution of that tax revenue that  
18 occurs after the first day of the 30-day period described by  
19 Subsection (b) of this section and shall discontinue retaining the  
20 local tax revenues under this subsection when the amount of the  
21 applicable tax revenue determined under Subsection (b)(2) or (3) of  
22 this section has been retained. The Motor Sports Racing trust fund  
23 is established outside the state treasury and is held in trust by  
24 the comptroller for administration of this section. Money in the  
25 trust fund may be disbursed by the department [~~comptroller~~] without  
26 appropriation only as provided by this section.

27 (f) The comptroller, at the direction of the department,

1 shall transfer [~~deposit~~] a portion of the state tax revenue  
2 determined by the department under Subsection (b)(1) of this  
3 section in an amount equal to 6.25 times the amount of the local  
4 sales and use tax revenue and mixed beverage tax revenue retained  
5 and the hotel occupancy tax revenue remitted by an endorsing  
6 municipality or endorsing county under Subsection (d) of this  
7 section.

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

19 (i) A local organizing committee, endorsing municipality,  
20 or endorsing county shall provide information required by the  
21 department [~~comptroller~~] to enable the department [~~comptroller~~] to  
22 fulfill the department's [~~comptroller's~~] duties under this section,  
23 including annual audited statements of any financial records  
24 required by a site selection organization and data obtained by the  
25 local organizing committee, an endorsing municipality, or an  
26 endorsing county relating to attendance at the motor sports racing  
27 event and to the economic impact of the racing event. A local

1 organizing committee, endorsing municipality, or endorsing county  
2 must provide an annual audited financial statement required by the  
3 department [~~comptroller~~], if any, not later than the end of the  
4 fourth month after the date the period covered by the financial  
5 statement ends.

6 (j) The department [~~comptroller~~] shall provide an estimate  
7 not later than three months before the date of a motor sports racing  
8 event of the total amount of tax revenue that would be transferred  
9 to or deposited in the Motor Sports Racing trust fund under this  
10 section in connection with that racing event, if the racing event  
11 were to be held in this state at a site selected pursuant to an  
12 application by a local organizing committee, endorsing  
13 municipality, or endorsing county. The department [~~comptroller~~]  
14 shall provide the estimate on request to a local organizing  
15 committee, endorsing municipality, or endorsing county. A local  
16 organizing committee, endorsing municipality, or endorsing county  
17 may submit the department's [~~comptroller's~~] estimate to a site  
18 selection organization.

19 (k) The department [~~comptroller~~] may make a disbursement  
20 from the Motor Sports Racing trust fund on the prior approval of  
21 each contributing endorsing municipality or endorsing county for a  
22 purpose for which an endorsing municipality or endorsing county or  
23 the state is obligated under a motor sports racing event support  
24 contract or event support contract. A disbursement may not be made  
25 from the trust fund that the department [~~comptroller~~] determines  
26 would be used for the purpose of soliciting the relocation of a  
27 professional sports franchise located in this state.



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

7 (o) The department [~~comptroller~~] may not undertake any of  
8 the responsibilities or duties set forth in this section unless a  
9 request is submitted by the municipality and the county in which the  
10 motor sports racing event will be held. The request must be  
11 accompanied by documentation from a site selection organization  
12 selecting the site for the racing event.

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

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

27 (1) the incremental increase in the receipts to this

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

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

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

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

1 activities; and

2 (5) the incremental increase in the receipts collected  
3 by each endorsing county in the market area from the hotel occupancy  
4 tax imposed under Chapter 352, Tax Code, that is directly  
5 attributable, as determined by the department [~~comptroller~~], to the  
6 preparation for and presentation of the event and related  
7 activities.

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

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

1 a market area for the event.

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

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

1 described by Subsection (b) of this section or at a time otherwise  
2 determined to be practicable by the department [~~comptroller~~] and  
3 shall discontinue retaining the local tax revenues under this  
4 subsection when the amount of the applicable tax revenue determined  
5 by the department under Subsection (b)(2) or (3) of this section has  
6 been retained. The Events trust fund is established outside the  
7 state treasury and is held in trust by the comptroller for  
8 administration of this section. Money in the trust fund may be  
9 disbursed by the department [~~comptroller~~] without appropriation  
10 only as provided by this section.

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

21 (e) In addition to the tax revenue deposited in the Events  
22 trust fund under Subsection (d) of this section, an endorsing  
23 municipality or endorsing county may guarantee its obligations  
24 under an event support contract and this section by pledging  
25 surcharges from user fees, including parking or ticket fees,  
26 charged in connection with the event. An endorsing municipality or  
27 endorsing county may collect and remit to the department

1 ~~[comptroller]~~ surcharges and user fees attributable to the event  
2 for deposit into the Events trust fund.

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

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

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

23 (i) A local organizing committee, endorsing municipality,  
24 or endorsing county shall provide information required by the  
25 department ~~[comptroller]~~ to enable the department ~~[comptroller]~~ to  
26 fulfill the department's ~~[comptroller's]~~ duties under this section,  
27 including annual audited statements of any financial records

1 required by a site selection organization and data obtained by the  
2 local organizing committee, an endorsing municipality, or an  
3 endorsing county relating to attendance at the event, including an  
4 estimate of the number of people expected to attend the event who  
5 are not residents of this state, and to the economic impact of the  
6 event. A local organizing committee, endorsing municipality, or  
7 endorsing county must provide an annual audited financial statement  
8 required by the department [~~comptroller~~], if any, not later than  
9 the end of the fourth month after the date the period covered by the  
10 financial statement ends. After the conclusion of an event and on  
11 the department's [~~comptroller's~~] request, a local organizing  
12 committee, endorsing municipality, or endorsing county must  
13 provide information relating to the event, such as attendance  
14 figures, including an estimate of the number of people who are not  
15 residents of this state who attended the event, financial  
16 information, or other public information held by the local  
17 organizing committee, endorsing municipality, or endorsing county  
18 that the department [~~comptroller~~] considers necessary.

19 (j) The department [~~comptroller~~] shall provide an estimate  
20 not later than three months before the date of an event of the total  
21 amount of tax revenue that would be transferred into or deposited in  
22 the Events trust fund under this section in connection with that  
23 event, if the event were to be held in this state at a site selected  
24 pursuant to an application by a local organizing committee,  
25 endorsing municipality, or endorsing county. The department  
26 [~~comptroller~~] shall provide the estimate on request to a local  
27 organizing committee, endorsing municipality, or endorsing county.

1 A local organizing committee, endorsing municipality, or endorsing  
2 county may submit the department's [~~comptroller's~~] estimate to a  
3 site selection organization.

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

26 (k-1) A disbursement may not be made from the trust fund  
27 that the department [~~comptroller~~] determines would be used for the



1 purpose of:

2 (1) soliciting the relocation of a professional sports  
3 franchise located in this state;

4 (2) constructing an arena, stadium, or convention  
5 center; or

6 (3) conducting usual and customary maintenance of a  
7 facility.

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 department [~~comptroller~~]  
11 shall remit to each endorsing entity, in proportion to the amount  
12 contributed by the entity, any money remaining in the Events trust  
13 fund.

14 (o) The department [~~comptroller~~] may not undertake any of  
15 the responsibilities or duties set forth in this section unless a  
16 request is submitted by the municipality or the county in which the  
17 event will be located. The request must be accompanied by  
18 documentation from a site selection organization selecting the site  
19 for the event.

20 (p) The department [~~comptroller~~] may adopt rules necessary  
21 to implement this section.

22 (q) In determining the amount of state revenue available  
23 under Subsection (b)(1) of this section, the department  
24 [~~comptroller~~] may consider whether:

25 (1) the event has been held in this state on previous  
26 occasions; and

27 (2) changes to the character of the event could affect

1 the incremental increase in receipts collected and remitted to the  
2 state by an endorsing county or endorsing municipality under that  
3 subsection.

4 (r) The department [~~comptroller~~] may adopt a model event  
5 support contract and make the contract available on the  
6 department's [~~comptroller's~~] Internet website. The adoption by  
7 the department [~~comptroller~~] of a model event support contract  
8 under this subsection does not require use of the model event  
9 support contract for purposes of this section.

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

26 SECTION 9. Section 6(b), Chapter 1507 (S.B. 456), Acts of  
27 the 76th Legislature, Regular Session, 1999 (Article [5190.14](#),

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

2 (b) If an endorsing municipality or endorsing county is  
3 required to hold an election under this section and the  
4 contribution of a portion of the municipality's or county's sales  
5 and use taxes to the Olympic Games trust fund under Section 5 of  
6 this Act is not approved by a majority of the voters voting in the  
7 election:

8 (1) the comptroller may not establish the Olympic  
9 Games trust fund under Section 5 of this Act, may not retain the  
10 municipality's or county's tax revenue under Section 5(d) of this  
11 Act from amounts otherwise required to be sent to that municipality  
12 or county, and may not transfer [~~deposit~~] any state tax revenue into  
13 the trust fund;

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

17 (3) the department may not enter into a games support  
18 contract relating to the games for which the municipality or county  
19 has authorized a bid on its behalf.

20 SECTION 10. The following laws are repealed:

21 (1) Section 5C(s), Chapter 1507 (S.B. 456), Acts of  
22 the 76th Legislature, Regular Session, 1999 (Article [5190.14](#),  
23 Vernon's Texas Civil Statutes); and

24 (2) Chapter 398, Local Government Code.

25 SECTION 11. As soon as is practicable after the effective  
26 date of this Act, but not later than September 10, 2015, the office  
27 of the governor and the comptroller of public accounts shall

1 develop and adopt a memorandum of understanding that:

2 (1) identifies in detail the applicable powers and  
3 duties of the comptroller that are being transferred to the office  
4 of the governor as a result of this Act; and

5 (2) establishes a plan for the identification and  
6 transfer of records, property, and unspent appropriations of the  
7 comptroller that are used for purposes of managing the funds  
8 transferred to the office of the governor.

9 SECTION 12. (a) Not later than September 10, 2015:

10 (1) the administration of the Pan American Games trust  
11 fund, Olympic Games trust fund, Major Events trust fund, Motor  
12 Sports Racing trust fund, and Events trust fund for sporting and  
13 non-sporting events shall be transferred from the comptroller of  
14 public accounts to the Texas Economic Development and Tourism  
15 Office;

16 (2) all rules, forms, policies, procedures, or  
17 decisions of the comptroller that are related to the trust funds  
18 described by Subdivision (1) of this subsection are continued in  
19 effect as rules, forms, policies, procedures, or decisions of the  
20 economic development and tourism division, office of the governor,  
21 until superseded by a rule or other appropriate act of the Texas  
22 Economic Development and Tourism Office; and

23 (3) a reference in law or administrative rule to the  
24 comptroller relating to the decisions for and administration of the  
25 trust funds described by Subdivision (1) of this subsection, other  
26 than a duty typically performed by the comptroller related to a  
27 state fund, means the Texas Economic Development and Tourism

1 Office.

2 (b) Before the transfer of the administration of the Pan  
3 American Games trust fund, Olympic Games trust fund, Major Events  
4 trust fund, Motor Sports Racing trust fund, and Events trust fund  
5 for sporting and non-sporting events, the comptroller and the Texas  
6 Economic Development and Tourism Office shall coordinate the  
7 transfer of powers and duties, including records and other items,  
8 in accordance with the memorandum of understanding adopted under  
9 Section 11 of this Act, to ensure a smooth transition.

10 SECTION 13. Notwithstanding the repeal by this Act of  
11 Chapter 398, Local Government Code, a special event plan approved  
12 under former Chapter 398 of that code before September 1, 2015, is  
13 governed by the law as it existed immediately before the effective  
14 date of this Act, and that law is continued in effect for that  
15 purpose.

16 SECTION 14. This Act takes effect September 1, 2015.