

By: Fraser

S.B. No. 633

A BILL TO BE ENTITLED

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

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

8 SECTION 1. The heading to Section 4, Chapter 1507 (S.B.  
9 456), Acts of the 76th Legislature, Regular Session, 1999 (Article  
10 5190.14, Vernon's Texas Civil Statutes), is amended to read as  
11 follows:

12 Sec. 4. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS; PAN  
13 AMERICAN GAMES REIMBURSEMENT [~~TRUST~~] FUND.

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

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

1 ~~[comptroller]~~ shall determine for each subsequent calendar  
2 quarter, in accordance with procedures developed by the department  
3 ~~[comptroller]~~:

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

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

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

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

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

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

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

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

1 of:

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

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

9 (g) The department may use the money [~~funds~~] in the Pan  
10 American Games reimbursement [~~trust~~] fund only to fulfill joint  
11 obligations of the state and the endorsing municipality to a site  
12 selection organization under a games support contract or any other  
13 agreement providing assurances from the department or the endorsing  
14 municipality to a site selection organization.

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

26 (j) The department may not make a disbursement from the Pan  
27 American Games reimbursement [~~trust~~] fund unless the department

1 ~~[comptroller]~~ certifies that the disbursement is for a purpose for  
2 which the state and the endorsing municipality are jointly  
3 obligated under a games support contract or other agreement  
4 described by Subsection (g) of this section.

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

15 (m) In no event may:

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

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

22 (A) \$20 million; or

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

26 SECTION 3. Sections 4(i) and (l), Chapter 1507 (S.B. 456),  
27 Acts of the 76th Legislature, Regular Session, 1999 (Article

1 5190.14, Vernon's Texas Civil Statutes), as amended by Chapters 579  
2 (H.B. 1675) and 814 (S.B. 275), Acts of the 78th Legislature,  
3 Regular Session, 2003, are reenacted and amended to read as  
4 follows:

5 (i) The department [~~comptroller~~] shall provide an estimate  
6 not later than September [~~December~~] 1[~~, 2003,~~] of the year that is  
7 eight years before the year in which the games would be held in this  
8 state of the total amount of state and municipal tax revenue that  
9 would be transferred to or deposited in the Pan American Games  
10 reimbursement [~~trust~~] fund before January 1[~~, 2012,~~] of the year  
11 following the year in which the games would be held, if the games  
12 were to be held in this state at a site selected pursuant to an  
13 application by a local organizing committee. The department  
14 [~~comptroller~~] shall provide the estimate on request to a local  
15 organizing committee. A local organizing committee may submit the  
16 department's [~~comptroller's~~] estimate to a site selection  
17 organization.

18 (1) On January 1[~~, 2013,~~] of the second year following the  
19 year in which the games are held in this state, the comptroller, at  
20 the direction of the department, shall transfer to the general  
21 revenue fund any money remaining in the Pan American Games  
22 reimbursement [~~trust~~] fund, not to exceed the amount of state  
23 revenue remaining in the [~~trust~~] fund, plus any interest earned on  
24 that state revenue. The comptroller shall remit to the endorsing  
25 municipality any money remaining in the [~~trust~~] fund after the  
26 required amount is transferred to the general revenue fund.

27 SECTION 4. The heading to Section 5, Chapter 1507 (S.B.

1 456), Acts of the 76th Legislature, Regular Session, 1999 (Article  
2 5190.14, Vernon's Texas Civil Statutes), is amended to read as  
3 follows:

4           Sec. 5. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS;  
5 OLYMPIC GAMES REIMBURSEMENT [~~TRUST~~] FUND.

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

10           (b) If a site selection organization selects a site for the  
11 games in this state pursuant to an application by a local organizing  
12 committee, after the first occurrence of a measurable economic  
13 impact in this state as a result of the preparation for the games,  
14 as determined by the department [~~comptroller~~], but in no event  
15 later than one year before the scheduled opening event of the games,  
16 the department [~~comptroller~~] shall determine for each subsequent  
17 calendar quarter, in accordance with procedures developed by the  
18 department [~~comptroller~~]:

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

26                   (2) the incremental increase in the receipts collected  
27 by the state on behalf of each endorsing municipality from the sales



1 and use tax imposed by the endorsing municipality under Section  
2 321.101(a), Tax Code, and the mixed beverage tax revenue to be  
3 received by the endorsing municipality under Section 183.051(b),  
4 Tax Code, that is directly attributable, as determined by the  
5 department [~~comptroller~~], to the preparation for and presentation  
6 of the games and related events;

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

14 (4) the incremental increase in the receipts collected  
15 by each endorsing municipality from the hotel occupancy tax imposed  
16 under Chapter 351, Tax Code, that is directly attributable, as  
17 determined by the department [~~comptroller~~], to the preparation for  
18 and presentation of the games and related events; and

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

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

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

10 (d) Subject to Section 6 of this Act, the comptroller, at  
11 the direction of the department, shall retain, for the purpose of  
12 guaranteeing the joint obligations of the state and an endorsing  
13 municipality or endorsing county under a games support contract and  
14 this Act, the amount of sales and use tax revenue and mixed beverage  
15 tax revenue determined under Subsection (b)(2) or (b)(3) of this  
16 section from the amounts otherwise required to be sent to the  
17 municipality under Section 183.051(b) or 321.502, Tax Code, or to  
18 the county under Section 183.051(b) or 323.502, Tax Code, beginning  
19 with the first distribution of that tax revenue that occurs after  
20 the date the department [~~comptroller~~] makes the determination of  
21 the amount of sales and use tax revenue and mixed beverage tax  
22 revenue under Subsection (b)(2) or (b)(3) of this section. The  
23 comptroller shall discontinue retaining sales and use tax revenue  
24 and mixed beverage tax revenue under this subsection on the earlier  
25 of:

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

1           (2) the date the amount of local sales and use tax  
2 revenue and mixed beverage tax revenue in the Olympic Games  
3 reimbursement [~~trust~~] fund equals 14 percent of the maximum amount  
4 of state and local tax revenue that may be transferred to or  
5 deposited in the [~~trust~~] fund under Subsection (m) of this section.

6           (f) Subject to Subsection (m) of this section, each  
7 endorsing municipality or endorsing county shall remit to the  
8 comptroller and the comptroller, at the direction of the  
9 department, shall deposit into a trust fund designated as the  
10 Olympic Games reimbursement [~~trust~~] fund, on a quarterly basis, the  
11 amount of the municipality's or county's hotel occupancy tax  
12 revenue determined by the department under Subsection (b)(4) or  
13 (b)(5) of this section, as applicable. Subject to Section 6 of this  
14 Act and Subsection (m) of this section, the comptroller, at the  
15 direction of the department, shall deposit into the [~~trust~~] fund  
16 the amount of sales and use tax revenue and mixed beverage tax  
17 revenue retained under Subsection (d) of this section for the same  
18 calendar quarter and, at the same time, shall transfer to the fund  
19 the state tax revenue determined by the department under Subsection  
20 (b)(1) of this section for the quarter. The Olympic Games  
21 reimbursement [~~trust~~] fund is established outside the treasury but  
22 is held in trust by the comptroller for the administration of this  
23 Act. Money in the [~~trust~~] fund may be spent by the department  
24 without appropriation only as provided by this Act. The  
25 comptroller shall discontinue transfer [~~deposit~~] of the amount of  
26 state tax revenue determined by the department under Subsection  
27 (b)(1) of this 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 the amount of state revenue in the Olympic  
4 Games reimbursement [~~trust~~] fund equals 86 percent of the maximum  
5 amount of state, municipal, and county tax revenue that may be  
6 transferred to or deposited in the [~~trust~~] fund under Subsection  
7 (m) of this section.

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

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

25           (i) The department [~~comptroller~~] shall provide an estimate  
26 before August 31 of the year that is 12 years before the year in  
27 which the games would be held in this state, or as soon as practical

1 after that date, of the total amount of state, municipal, and county  
2 tax revenue that would be transferred to or deposited in the Olympic  
3 Games reimbursement [~~trust~~] fund if the games were to be held in  
4 this state at a site selected pursuant to an application by a local  
5 organizing committee. The department [~~comptroller~~] shall provide  
6 the estimate on request to a local organizing committee. A local  
7 organizing committee may submit the department's [~~comptroller's~~]  
8 estimate to a site selection organization.

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

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

24 (l) Two years after the closing event of the games, the  
25 department [~~comptroller~~] shall transfer to the general revenue fund  
26 any money remaining in the Olympic Games reimbursement [~~trust~~]  
27 fund, not to exceed the amount of state revenue remaining in the

1 ~~[trust]~~ fund, plus any interest earned on that state revenue. The  
2 department ~~[comptroller]~~ shall remit to each endorsing entity in  
3 proportion to the amount contributed by the entity any money  
4 remaining in the ~~[trust]~~ fund after the required amount is  
5 transferred to the general revenue fund.

6 (m) In no event may:

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

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

14 (A) \$100 million; or

15 (B) the total amount of revenue transferred to or  
16 deposited in the Olympic Games reimbursement ~~[trust]~~ fund and  
17 interest earned on the fund.

18 SECTION 6. The heading to Section 5A, Chapter 1507 (S.B.  
19 456), Acts of the 76th Legislature, Regular Session, 1999 (Article  
20 [5190.14](#), Vernon's Texas Civil Statutes), is amended to read as  
21 follows:

22 Sec. 5A. PAYMENT OF STATE AND MUNICIPAL OR COUNTY  
23 OBLIGATIONS; MAJOR EVENTS REIMBURSEMENT ~~[TRUST]~~ FUND.

24 SECTION 7. Sections 5A(a)(1) and (2), Chapter 1507 (S.B.  
25 456), Acts of the 76th Legislature, Regular Session, 1999 (Article  
26 [5190.14](#), Vernon's Texas Civil Statutes), are amended to read as  
27 follows:

1 (1) "Endorsing county" means:

2 (A) a county that contains a site selected by a  
3 site selection organization for one or more events; or

4 (B) a county that:

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

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

9 (iii) is a party to an event support  
10 contract.

11 (2) "Endorsing municipality" means:

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

14 (B) a municipality that:

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

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

19 (iii) is a party to an event support  
20 contract.

21 SECTION 8. Sections 5A(a-1), (a-2), (b), (b-1), (c), (d),  
22 (d-1), (e), (f), (g), (i), (j), (k), (l), (m), (p), (v), (w), and  
23 (y), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular  
24 Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are  
25 amended to read as follows:

26 (a-1) An event not listed in Subsection (a)(4) of this  
27 section is ineligible for funding under this section. A listed

1 event may receive funding under this section only if:

2 (1) a site selection organization selects a site  
3 located in this state for the event to be held one time or, for an  
4 event scheduled to be held each year for a period of years under an  
5 event contract, or an event support contract, one time each year for  
6 the period of years, after considering, through a highly  
7 competitive selection process, one or more sites that are not  
8 located in this state;

9 (2) a site selection organization selects a site in  
10 this state as:

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

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

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

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

23 (a-2) Subsection (a-1)(1) of this section does not apply to  
24 an event that is the largest event held each year at a sports  
25 entertainment venue in this state with a permanent seating  
26 capacity, including grandstand and premium seating, of not less  
27 than 125,000. If an endorsing municipality or endorsing county



1 requests the department [~~comptroller~~] to make a determination under  
2 Subsection (b) of this section for an event described by this  
3 subsection, the provisions of this section apply to that event as if  
4 it satisfied the eligibility requirements for an event under  
5 Subsection (a-1)(1) of this section.

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 reimbursement  
22 [~~trust~~] fund the amount of the municipality's or county's hotel  
23 occupancy tax revenue determined by the department under Subsection  
24 (b)(4) or (b)(5) of this section, less any amount of the revenue  
25 that the 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  
7 the 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 reimbursement ~~[trust]~~ fund is established outside the  
18 state treasury and is held in trust by the comptroller for  
19 administration of this Act. Money in the ~~[trust]~~ fund may be  
20 disbursed by the department ~~[comptroller]~~ without appropriation  
21 only as provided by this 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 reimbursement ~~[trust]~~ fund other  
27 local funds in an amount equal to the total amount of local tax

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

5 (e) In addition to the tax revenue deposited in the Major  
6 Events reimbursement [~~trust~~] fund under Subsection (d) of this  
7 section, an endorsing municipality or endorsing county may  
8 guarantee its obligations under an event support contract and this  
9 section by pledging surcharges from user fees, including parking or  
10 ticket 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 reimbursement [~~trust~~]  
14 fund.

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

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

25 (g) To meet its obligations under a game support contract or  
26 event support contract to improve, construct, renovate, or acquire  
27 facilities or to acquire equipment, an endorsing municipality by

1 ordinance or an endorsing county by order may authorize the  
2 issuance of notes. An endorsing municipality or endorsing county  
3 may provide that the notes be paid from and secured by amounts on  
4 deposit or amounts to be deposited into the Major Events  
5 reimbursement [~~trust~~] fund or surcharges from user fees, including  
6 parking or ticket fees, charged in connection with the event. Any  
7 note issued must mature not later than seven years from its date of  
8 issuance.

9 (i) A local organizing committee, endorsing municipality,  
10 or endorsing county shall provide information required by the  
11 department [~~comptroller~~] to enable the department [~~comptroller~~] to  
12 fulfill the department's [~~comptroller's~~] duties under this section,  
13 including annual audited statements of any financial records  
14 required by a site selection organization and data obtained by the  
15 local organizing committee, an endorsing municipality, or an  
16 endorsing county relating to attendance at the event, including an  
17 estimate of the number of people expected to attend the event who  
18 are not residents of this state, and to the economic impact of the  
19 event. A local organizing committee, endorsing municipality, or  
20 endorsing county must provide an annual audited financial statement  
21 required by the department [~~comptroller~~], if any, not later than  
22 the end of the fourth month after the date the period covered by the  
23 financial statement ends. After the conclusion of an event and on  
24 the department's [~~comptroller's~~] request, a local organizing  
25 committee, endorsing municipality, or endorsing county must  
26 provide information relating to the event, such as attendance  
27 figures, including an estimate of the number of attendees at the

1 event who are not residents of this state, financial information,  
2 or other public information held by the local organizing committee,  
3 endorsing municipality, or endorsing county that the department  
4 [~~comptroller~~] considers necessary.

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

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

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

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

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

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

27 (1) a request is submitted by the municipality or the



1 county in which the event will be located;

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

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

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

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

16 (1) the results of the study conducted under this  
17 subsection, including any source documentation or other  
18 information relied on by the department [~~comptroller~~] for the  
19 study;

20 (2) the amount of incremental increase in tax receipts  
21 for the event determined by the department under Subsection (b) of  
22 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 department [~~comptroller~~] in making the determination of the amount

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

1 purposes of this subsection and provide the manner in which a  
2 disbursement may be proportionately reduced. This subsection does  
3 not affect the remittance of any money remaining in the fund in  
4 accordance with Subsection (m) of this section.

5 SECTION 9. The heading to Section 5B, 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. 5B. GUARANTEE OF STATE AND MUNICIPAL OR COUNTY  
10 OBLIGATIONS; MOTOR SPORTS RACING REIMBURSEMENT [~~TRUST~~] FUND.

11 SECTION 10. Sections 5B(b), (c), (d), (e), (f), (g), (h),  
12 (i), (j), (k), (l), (m), and (o), Chapter 1507 (S.B. 456), Acts of  
13 the 76th Legislature, Regular Session, 1999 (Article [5190.14](#),  
14 Vernon's Texas Civil Statutes), are amended to read as follows:

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

23 (1) the incremental increase in the receipts to the  
24 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax  
25 Code, and under Title 5, Alcoholic Beverage Code, within the market  
26 areas designated under Subsection (c) of this section, that is  
27 directly attributable, as determined by the department

1 ~~[comptroller]~~, to the preparation for and presentation of the  
2 racing event;

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

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

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

24           (5) the incremental increase in the receipts collected  
25 by each endorsing county in the market area from the hotel occupancy  
26 tax imposed under Chapter 352, Tax Code, that is directly  
27 attributable, as determined by the department ~~[comptroller]~~, to the

1 preparation for and presentation of the racing event.

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

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

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

20 (e) In addition to the tax revenue deposited in the Motor  
21 Sports Racing reimbursement [~~trust~~] fund under Subsection (d) of  
22 this section, an endorsing municipality or endorsing county may  
23 guarantee its obligations under a motor sports racing event support  
24 contract and this section by pledging surcharges from user fees,  
25 including parking or ticket fees, charged in connection with the  
26 racing event.

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

19 (h) The money [~~funds~~] in the Motor Sports Racing  
20 reimbursement [~~trust~~] fund may be used to pay the principal of and  
21 interest on notes issued by an endorsing municipality or endorsing  
22 county under Subsection (g) of this section and to fulfill  
23 obligations of the state or an endorsing municipality or endorsing  
24 county to a site selection organization under a motor sports racing  
25 event support contract or event support contract, which obligations  
26 may include the payment of costs relating to the preparations  
27 necessary or desirable for the conduct of the racing event and the

1 payment of costs of conducting the racing event, including  
2 temporary improvements or temporary renovations to existing  
3 facilities or other facilities specific to the event.

4 (i) A local organizing committee, endorsing municipality,  
5 or endorsing county shall provide information required by the  
6 department [~~comptroller~~] to enable the department [~~comptroller~~] to  
7 fulfill the department's [~~comptroller's~~] duties under this section,  
8 including annual audited statements of any financial records  
9 required by a site selection organization and data obtained by the  
10 local organizing committee, an endorsing municipality, or an  
11 endorsing county relating to attendance at the motor sports racing  
12 event and to the economic impact of the racing event. A local  
13 organizing committee, endorsing municipality, or endorsing county  
14 must provide an annual audited financial statement required by the  
15 department [~~comptroller~~], if any, not later than the end of the  
16 fourth month after the date the period covered by the financial  
17 statement ends.

18 (j) The department [~~comptroller~~] shall provide an estimate  
19 not later than three months before the date of a motor sports racing  
20 event of the total amount of tax revenue that would be transferred  
21 to or deposited in the Motor Sports Racing reimbursement [~~trust~~]  
22 fund under this section in connection with that racing event, if the  
23 racing 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 Motor Sports Racing reimbursement [~~trust~~] fund on the  
6 prior approval of each contributing endorsing municipality or  
7 endorsing county for a purpose for which an endorsing municipality  
8 or endorsing county or the state is obligated under a motor sports  
9 racing event support contract or event support contract. A  
10 disbursement may not be made from the [~~trust~~] fund that the  
11 department [~~comptroller~~] determines would be used for the purpose  
12 of soliciting the relocation of a professional sports franchise  
13 located in this state.

14 (l) If a disbursement is made from the Motor Sports Racing  
15 reimbursement [~~trust~~] fund under Subsection (k) of this section,  
16 the obligation shall be satisfied proportionately from the state  
17 and local revenue in the [~~trust~~] fund.

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

24 (o) The department [~~comptroller~~] may not undertake any of  
25 the responsibilities or duties set forth in this section unless a  
26 request is submitted by the municipality and the county in which the  
27 motor sports racing event will be held. The request must be

1 accompanied by documentation from a site selection organization  
2 selecting the site for the racing event.

3 SECTION 11. The heading to Section 5C, Chapter 1507 (S.B.  
4 456), Acts of the 76th Legislature, Regular Session, 1999 (Article  
5 5190.14, Vernon's Texas Civil Statutes), is amended to read as  
6 follows:

7 Sec. 5C. EVENTS REIMBURSEMENT [~~TRUST~~] FUND FOR CERTAIN  
8 MUNICIPALITIES AND COUNTIES.

9 SECTION 12. Sections 5C(b), (b-1), (c), (c-1), (d), (d-1),  
10 (e), (f), (g), (h), (i), (j), (k), (k-1), (k-2), (l), (m), (o), (p),  
11 (q), (r), and (t), Chapter 1507 (S.B. 456), Acts of the 76th  
12 Legislature, Regular Session, 1999 (Article 5190.14, Vernon's  
13 Texas Civil Statutes), are amended to read as follows:

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

23 (1) the incremental increase in the receipts to this  
24 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax  
25 Code, and under Title 5, Alcoholic Beverage Code, within the market  
26 areas designated under Subsection (c) of this section, that is  
27 directly attributable, as determined by the department

1 ~~[comptroller]~~, to the preparation for and presentation of the event  
2 and related activities;

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

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

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

25           (5) the incremental increase in the receipts collected  
26 by each endorsing county in the market area from the hotel occupancy  
27 tax imposed under Chapter 352, Tax Code, that is directly

1 attributable, as determined by the department [~~comptroller~~], to the  
2 preparation for and presentation of the event and related  
3 activities.

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

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

25 (c-1) The department [~~comptroller~~] shall base the  
26 determination specified by Subsection (b) of this section on  
27 information submitted by the local organizing committee, endorsing

1 municipality, or endorsing county, and must make the determination  
2 not later than the 30th day after the date the department  
3 [~~comptroller~~] receives the information.

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

1 tax revenue determined by the department under Subsection (b)(2) or  
2 (3) of this section has been retained. The Events reimbursement  
3 ~~[trust]~~ fund is established outside the state treasury and is held  
4 in trust by the comptroller for administration of this section.  
5 Money in the ~~[trust]~~ fund may be disbursed by the department  
6 ~~[comptroller]~~ without appropriation only as provided by this  
7 section.

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

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

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

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

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

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

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

1 conduct of the event and the payment of costs of conducting the  
2 event, including improvements or renovations to existing  
3 facilities or other facilities and costs of acquisition or  
4 construction of new facilities or other facilities.

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



1           (j) The department [~~comptroller~~] shall provide an estimate  
2 not later than three months before the date of an event of the total  
3 amount of tax revenue that would be transferred into or deposited in  
4 the Events reimbursement [~~trust~~] fund under this section in  
5 connection with that event, if the event were to be held in this  
6 state at a site selected pursuant to an application by a local  
7 organizing committee, endorsing municipality, or endorsing county.  
8 The department [~~comptroller~~] shall provide the estimate on request  
9 to a local organizing committee, endorsing municipality, or  
10 endorsing county. A local organizing committee, endorsing  
11 municipality, or endorsing county may submit the department's  
12 [~~comptroller's~~] estimate to a site selection organization.

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

1 disbursement from the [~~trust~~] fund, unless the improvement or  
2 fixture is for a publicly owned facility. In considering whether to  
3 make a disbursement from the [~~trust~~] fund, the department  
4 [~~comptroller~~] may not consider a contingency clause in an event  
5 support contract as relieving a local organizing committee's,  
6 endorsing municipality's, or endorsing county's obligation to pay a  
7 cost under the contract.

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

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

13 (2) constructing an arena, stadium, or convention  
14 center; or

15 (3) conducting usual and customary maintenance of a  
16 facility.

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

18 (1) a disbursement from the [~~trust~~] fund for the  
19 construction of temporary structures within an arena, stadium, or  
20 convention, if those temporary structures are necessary for the  
21 conduct of the event; or

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

24 (1) If a disbursement is made from the Events reimbursement  
25 [~~trust~~] fund under Subsection (k) of this section, the obligation  
26 shall be satisfied proportionately from the state and local revenue  
27 in the [~~trust~~] fund.

1 (m) On payment of all state, municipal, or county  
2 obligations under an event support contract related to the location  
3 of any particular event in this state, the department [~~comptroller~~]  
4 shall remit to each endorsing entity, in proportion to the amount  
5 contributed by the entity, any money remaining in the Events  
6 reimbursement [~~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 or the county in which the  
10 event will be located. The request must be accompanied by  
11 documentation from a site selection organization selecting the site  
12 for the event.

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

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

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

20 (2) changes to the character of the event could affect  
21 the incremental increase in receipts collected and remitted to the  
22 state by an endorsing county or endorsing municipality under that  
23 subsection.

24 (r) The department [~~comptroller~~] may adopt a model event  
25 support contract and make the contract available on the  
26 department's [~~comptroller's~~] Internet website. The adoption by the  
27 department [~~comptroller~~] of a model event support contract under

1 this subsection does not require use of the model event support  
2 contract for purposes of this section.

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

20 SECTION 13. Sections 6(a) and (b), Chapter 1507 (S.B. 456),  
21 Acts of the 76th Legislature, Regular Session, 1999 (Article  
22 [5190.14](#), Vernon's Texas Civil Statutes), are amended to read as  
23 follows:

24 (a) Except as provided by Subsections (b) and (d) of this  
25 section, an endorsing municipality or endorsing county must hold an  
26 election in the municipality or county to determine whether the  
27 municipality or county may contribute a portion of its sales and use

1 taxes to the Olympic Games reimbursement [~~trust~~] fund under Section  
2 5 of this Act. The election must be held on a uniform election date  
3 before the date a site selection organization requires the  
4 endorsing municipality or endorsing county and the state to enter  
5 into a joinder undertaking relating to the applicable games.

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

12 (1) the comptroller may not establish the Olympic  
13 Games reimbursement [~~trust~~] fund under Section 5 of this Act, may  
14 not retain the municipality's or county's tax revenue under Section  
15 5(d) of this Act from amounts otherwise required to be sent to that  
16 municipality or county, and may not transfer [~~deposit~~] any state  
17 tax revenue into the [~~trust~~] fund;

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

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

24 SECTION 14. Section 7(f), Chapter 1507 (S.B. 456), Acts of  
25 the 76th Legislature, Regular Session, 1999 (Article [5190.14](#),  
26 Vernon's Texas Civil Statutes), is amended to read as follows:

27 (f) The department may agree to execute a joinder

1 undertaking, a joinder agreement, or other games support contract  
2 only if:

3 (1) the department determines that:

4 (A) the state's assurances and obligations under  
5 the undertaking, agreement, or contract are reasonable; and

6 (B) any financial commitments of the state will  
7 be satisfied exclusively by recourse to the Pan American Games  
8 reimbursement [~~trust~~] fund or the Olympic Games reimbursement  
9 [~~trust~~] fund, as applicable; and

10 (2) the endorsing municipality or endorsing county has  
11 executed an agreement with a site selection organization that  
12 contains substantially similar terms.

13 SECTION 15. The following laws are repealed:

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

17 (2) Chapter 398, Local Government Code.

18 SECTION 16. As soon as is practicable after the effective  
19 date of this Act, but not later than September 10, 2015, the office  
20 of the governor and the comptroller of public accounts shall  
21 develop and adopt a memorandum of understanding that:

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

25 (2) establishes a plan for the identification and  
26 transfer of records, property, and unspent appropriations of the  
27 comptroller that are used for purposes of managing the funds

1 transferred to the office of the governor.

2 SECTION 17. (a) Not later than September 10, 2015:

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

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

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

26 (b) Before the transfer of the administration of the Pan  
27 American Games reimbursement fund, Olympic Games reimbursement

1 fund, Major Events reimbursement fund, Motor Sports Racing  
2 reimbursement fund, and Events reimbursement fund for sporting and  
3 non-sporting events, the comptroller of public accounts and the  
4 Texas Economic Development and Tourism Office shall coordinate the  
5 transfer of powers and duties, including records and other items,  
6 in accordance with the memorandum of understanding adopted under  
7 Section 16 of this Act, to ensure a smooth transition.

8         SECTION 18. Notwithstanding the repeal by this Act of  
9 Chapter 398, Local Government Code, a special event plan approved  
10 under former Chapter 398 of that code before September 1, 2015, is  
11 governed by the law as it existed immediately before the effective  
12 date of this Act, and that law is continued in effect for that  
13 purpose.

14         SECTION 19. This Act takes effect September 1, 2015.