

AN ACT

relating to certain event trust funds and the abolishment of the special event trust fund.

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

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

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

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

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

1 quarter, in accordance with procedures developed by the department  
2 [~~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 the endorsing municipality from the sales  
12 and use tax imposed by the endorsing municipality under Section  
13 321.101(a), Tax Code, that is directly attributable, as determined  
14 by the department [~~comptroller~~], to the preparation for and  
15 presentation of the games and related events; and

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

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

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

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

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

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

26 (f) Subject to Subsection (m) of this section, the  
27 comptroller, at the direction of the department, shall deposit into

1 a trust fund designated as the Pan American Games trust fund the  
2 amount of municipal sales and use tax revenue retained under  
3 Subsection (d) of this section and, at the same time, shall transfer  
4 to the fund a portion of the state tax revenue determined by the  
5 department under Subsection (b)(1) of this section in an amount  
6 equal to 6.25 times the amount of that municipal sales and use tax  
7 revenue. Subject to Subsection (m) of this section, the endorsing  
8 municipality shall deposit into the trust fund the amount of the  
9 endorsing municipality's hotel occupancy tax revenue determined by  
10 the department under Subsection (b)(3) of this section. The  
11 endorsing municipality shall deposit that hotel occupancy tax  
12 revenue into the trust fund at least quarterly. When the endorsing  
13 municipality makes a deposit of its hotel occupancy tax revenue,  
14 the comptroller, at the direction of the department, shall transfer  
15 to the fund [~~deposit~~] at the same time a portion of the state tax  
16 revenue determined under Subsection (b)(1) of this section in an  
17 amount equal to 6.25 times the amount of that municipal hotel  
18 occupancy tax revenue. The Pan American Games trust fund is  
19 established outside the treasury but is held in trust by the  
20 comptroller for the administration of this Act. Money in the trust  
21 fund may be spent by the department without appropriation only as  
22 provided by this Act. The comptroller shall discontinue  
23 transferring [~~depositing~~] into the trust fund any state tax revenue  
24 determined by the department under Subsection (b)(1) of this  
25 section on the earlier 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 on which the amount of state revenue in  
2 the Pan American Games trust fund equals 86 percent of the maximum  
3 amount of state and municipal tax revenue that may be transferred to  
4 or deposited in the trust fund under Subsection (m) of this section.

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

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

22           (k) If the department [~~comptroller~~] certifies under  
23 Subsection (j) of this section that a disbursement may be made from  
24 the Pan American Games trust fund, the obligation shall be  
25 satisfied first out of municipal revenue deposited in the trust  
26 fund and any interest earned on that municipal revenue. If the  
27 municipal revenue is not sufficient to satisfy the entire deficit,

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

4 (m) In no event may:

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

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

11 (A) \$20 million; or

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

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

21 (i) The department [~~comptroller~~] shall provide an estimate  
22 not later than September [~~December~~] 1[~~7-2003~~] of the year that is  
23 eight years before the year in which the games would be held in this  
24 state of the total amount of state and municipal tax revenue that  
25 would be transferred to or deposited in the Pan American Games trust  
26 fund before January 1[~~7-2012~~] of the year following the year in  
27 which the games would be held, if the games were to be held in this

1 state at a site selected pursuant to an application by a local  
2 organizing committee. The department [~~comptroller~~] shall provide  
3 the estimate on request to a local organizing committee. A local  
4 organizing committee may submit the department's [~~comptroller's~~]  
5 estimate to a site selection organization.

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

15 SECTION 4. Sections 5(b), (c), (d), (f), (h), (i), (j), (k),  
16 (l), and (m), Chapter 1507 (S.B. 456), Acts of the 76th Legislature,  
17 Regular Session, 1999 (Article [5190.14](#), Vernon's Texas Civil  
18 Statutes), are 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, after the first occurrence of a measurable economic  
22 impact in this state as a result of the preparation for the games,  
23 as determined by the department [~~comptroller~~], but in no event  
24 later than one year before the scheduled opening event of the games,  
25 the department [~~comptroller~~] shall determine for each subsequent  
26 calendar quarter, in accordance with procedures developed by the  
27 department [~~comptroller~~]:

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

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

16           (3) the incremental increase in the receipts collected  
17 by the state on behalf of each endorsing county from the sales and  
18 use tax imposed by the county under Section 323.101(a), Tax Code,  
19 and the mixed beverage tax revenue to be received by the endorsing  
20 county under Section 183.051(b), 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           (4) the incremental increase in the receipts collected  
24 by each endorsing municipality from the hotel occupancy tax imposed  
25 under Chapter 351, Tax Code, that is directly attributable, as  
26 determined by the department [~~comptroller~~], to the preparation for  
27 and presentation of the games and related events; and



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

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

19           (d) Subject to Section 6 of this Act, the comptroller, at  
20 the direction of the department, shall retain, for the purpose of  
21 guaranteeing the joint obligations of the state and an endorsing  
22 municipality or endorsing county under a games support contract and  
23 this Act, the amount of sales and use tax revenue and mixed beverage  
24 tax revenue determined under Subsection (b)(2) or (b)(3) of this  
25 section from the amounts otherwise required to be sent to the  
26 municipality under Section 183.051(b) or 321.502, Tax Code, or to  
27 the county under Section 183.051(b) or 323.502, Tax Code, beginning

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

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

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

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

1 revenue determined by the department under Subsection (b)(1) of  
2 this section for the quarter. The Olympic Games trust fund is  
3 established outside the treasury but is held in trust by the  
4 comptroller for the administration of this Act. Money in the trust  
5 fund may be spent by the department without appropriation only as  
6 provided by this Act. The comptroller shall discontinue transfer  
7 ~~[deposit]~~ of the amount of state tax revenue determined by the  
8 department under Subsection (b)(1) of this section 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 state revenue in the Olympic  
13 Games trust fund equals 86 percent of the maximum amount of state,  
14 municipal, and county tax revenue that may be transferred to or  
15 deposited in the trust fund under Subsection (m) of this section.

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

27 (i) The department ~~[comptroller]~~ shall provide an estimate

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

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

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

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

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

7 (m) In no event may:

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

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

15 (A) \$100 million; or

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

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

24 (1) "Endorsing county" means:

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

27 (B) a county that:

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

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

5 (iii) is a party to an event support  
6 contract.

7 (2) "Endorsing municipality" means:

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

10 (B) a municipality that:

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

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

15 (iii) is a party to an event support  
16 contract.

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

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

20 (5) "Site selection organization" means:

21 (A) the National Football League, the National  
22 Collegiate Athletic Association, the National Basketball  
23 Association, ESPN or an affiliate, the National Hockey League,  
24 Major League Baseball, the Federation Internationale de Football  
25 Association (FIFA), the International World Games Association, the  
26 National Association for Stock Car Auto Racing (NASCAR), Dorna  
27 Sports, the Amateur Athletic Union, the Professional Rodeo Cowboys

1 Association, the Elite Rodeo Association, Major League Soccer, the  
2 United States Golf Association, or the United States Olympic  
3 Committee;

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

8 (C) the Academy of Country Music;

9 (D) the National Cutting Horse Association;

10 (E) the Republican National Committee or the  
11 Democratic National Committee; ~~or~~

12 (F) the Ultimate Fighting Championship; or

13 (G) the Commission on Presidential Debates.

14 SECTION 6. Section 5A, Chapter 1507 (S.B. 456), Acts of the  
15 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's  
16 Texas Civil Statutes), is amended by adding Subsection (a-3) to  
17 read as follows:

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

22 SECTION 7. Sections 5A(a-1), (a-2), (b), (b-1), (c), (d),  
23 (d-1), (e), (f), (i), (j), (k), (l), (m), (p), (v), (w), and (y),  
24 Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular  
25 Session, 1999, (Article 5190.14, Vernon's Texas Civil Statutes),  
26 are amended to read as follows:

27 (a-1) An event not listed in Subsection (a)(4) of this



1 section is ineligible for funding under this section. A listed  
2 event may receive funding under this section only if:

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

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

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

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

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

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

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

1 than 125,000. If an endorsing municipality or endorsing  
2 county requests the department [~~comptroller~~] to make a  
3 determination under Subsection (b) of this section for an  
4 event described by this subsection, the provisions of this  
5 section apply to that event as if it satisfied the eligibility  
6 requirements for an event under Subsection (a-1)(1) of this  
7 section.

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

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

25 (2) the incremental increase in the receipts  
26 collected by the state on behalf of each endorsing  
27 municipality in the market area from the sales and use tax

1 imposed by each endorsing municipality under Section 321.101(a),  
2 Tax Code, and the mixed beverage tax revenue to be received by each  
3 endorsing municipality under Section 183.051(b), Tax Code, 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 (3) the incremental increase in the receipts collected  
8 by the state on behalf of each endorsing county in the market area  
9 from the sales and use tax imposed by each endorsing county under  
10 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to  
11 be received by each endorsing county under Section 183.051(b), Tax  
12 Code, that is directly attributable, as determined by the  
13 department [~~comptroller~~], to the preparation for and presentation  
14 of the event and related activities;

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

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

27 (b-1) A request for a determination of the amount of

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

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

23 (d) Each endorsing municipality or endorsing county shall  
24 remit to the comptroller and the comptroller shall deposit into a  
25 trust fund created by the comptroller, at the direction of the  
26 department, and designated as the Major Events trust fund the  
27 amount of the municipality's or county's hotel occupancy tax

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

27 (d-1) Not later than the 90th day after the last day of an

1 event and in lieu of the local tax revenues remitted [~~to~~] or  
2 retained [~~by the comptroller~~] under Subsection (d) of this section,  
3 a municipality or county may remit to the department [~~comptroller~~]  
4 for deposit in the Major Events trust fund other local funds in an  
5 amount equal to the total amount of local tax revenue determined by  
6 the department under Subsections (b)(2) through (5) of this  
7 section. The amount deposited by the department [~~comptroller~~] into  
8 the Major Events trust fund under this subsection is subject to  
9 Subsection (f) of this section.

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

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

- 25 (1) local sales and use tax revenue;  
26 (2) mixed beverage tax revenue;  
27 (3) hotel occupancy tax revenue; and

1 (4) surcharge and user fee revenue.

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

25 (j) Not later than the 30th day after the date a request of a  
26 local organizing committee, endorsing municipality, or endorsing  
27 county is submitted to the department [~~comptroller~~] under

1 Subsection (b-1) of this section, the department [~~comptroller~~]  
2 shall provide an estimate of the total amount of tax revenue that  
3 would be deposited in the Major Events trust fund under this section  
4 in connection with that event, if the event were to be held in this  
5 state at a site selected pursuant to an application by a local  
6 organizing committee, endorsing municipality, or endorsing county.  
7 A local organizing committee, endorsing municipality, or endorsing  
8 county may submit the department's [~~comptroller's~~] estimate to a  
9 site selection organization.

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



1 local organizing committee's, endorsing municipality's, or  
2 endorsing county's obligation to pay a cost under the contract. A  
3 disbursement may not be made from the trust fund that the department  
4 [~~comptroller~~] determines would be used for the purpose of  
5 soliciting the relocation of a professional sports franchise  
6 located in this state.

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

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

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

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

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

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

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

27 (w) Not later than 10 months after the last day of an event

1 eligible for disbursements from the Major Events trust fund for  
2 costs associated with the event, the department [~~comptroller~~] using  
3 existing resources shall complete a study in the market area of the  
4 event on the measurable economic impact directly attributable to  
5 the preparation for and presentation of the event and related  
6 activities. The department [~~comptroller~~] shall post on the  
7 department's [~~comptroller's~~] Internet website:

8 (1) the results of the study conducted under this  
9 subsection, including any source documentation or other  
10 information relied on by the department [~~comptroller~~] for the  
11 study;

12 (2) the amount of incremental increase in tax receipts  
13 for the event determined by the department under Subsection (b) of  
14 this section;

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

17 (4) any source documentation or information described  
18 under Subsection (i) of this section that was relied on by the  
19 department [~~comptroller~~] in making the determination of the amount  
20 of incremental increase in tax receipts under Subsection (b) of  
21 this section; and

22 (5) documentation verifying that:

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

27 (B) the determination on the amount of

1 incremental increases in tax receipts under Subsection (b) of this  
2 section considered the information submitted by a local organizing  
3 committee, endorsing municipality, or endorsing county as required  
4 under Subsection (b-1) of this section; and

5 (C) each deadline established under this section  
6 was timely met.

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

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

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

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

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

24           (3) the incremental increase in the receipts collected  
25 by the state on behalf of each endorsing county in the market area  
26 from the sales and use tax imposed by each endorsing county under  
27 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to

1 be received by each endorsing county under Section 183.051(b), Tax  
2 Code, that is directly attributable, as determined by the  
3 department [~~comptroller~~], to the preparation for and presentation  
4 of the racing event;

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

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

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

1 for the racing event must be included in a market area for the  
2 racing event.

3 (d) Each endorsing municipality or endorsing county shall  
4 remit to the comptroller and the comptroller shall deposit into a  
5 trust fund created by the comptroller, at the direction of the  
6 department, and designated as the Motor Sports Racing trust fund  
7 for the particular event the amount of the municipality's or  
8 county's hotel occupancy tax revenue determined by the department  
9 under Subsection (b)(4) or (5) of this section, less any amount of  
10 the revenue that the municipality or county determines is necessary  
11 to meet the obligations of the municipality or county. The  
12 comptroller, at the direction of the department, shall retain the  
13 amount of sales and use tax revenue and mixed beverage tax revenue  
14 determined by the department under Subsection (b)(2) or (3) of this  
15 section from the amounts otherwise required to be sent to the  
16 municipality under Sections 321.502 and 183.051(b), Tax Code, or to  
17 the county under Sections 323.502 and 183.051(b), Tax Code, and  
18 deposit into the trust fund the tax revenues, less any amount of the  
19 revenue that the municipality or county determines is necessary to  
20 meet the obligations of the municipality or county. The  
21 comptroller shall begin retaining and depositing the local tax  
22 revenues with the first distribution of that tax revenue that  
23 occurs after the first day of the 30-day period described by  
24 Subsection (b) of this section and shall discontinue retaining the  
25 local tax revenues under this subsection when the amount of the  
26 applicable tax revenue determined under Subsection (b)(2) or (3) of  
27 this section has been retained. The Motor Sports Racing trust fund

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

5 (f) The comptroller, at the direction of the department,  
6 shall transfer [~~deposit~~] 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 the local  
9 sales and use tax revenue and mixed beverage tax revenue retained  
10 and the hotel occupancy tax revenue remitted by an endorsing  
11 municipality or endorsing county under Subsection (d) of this  
12 section.

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

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 motor sports racing  
5 event and to the economic impact of the racing event. A local  
6 organizing committee, endorsing municipality, or endorsing county  
7 must provide an annual audited financial statement required by the  
8 department [~~comptroller~~], if any, not later than the end of the  
9 fourth month after the date the period covered by the financial  
10 statement ends.

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

24 (k) The department [~~comptroller~~] may make a disbursement  
25 from the Motor Sports Racing trust fund on the prior approval of  
26 each contributing endorsing municipality or endorsing county for a  
27 purpose for which an endorsing municipality or endorsing county or



1 the state is obligated under a motor sports racing event support  
2 contract or event support contract. A disbursement may not be made  
3 from the trust fund that the department [~~comptroller~~] determines  
4 would be used for the purpose of soliciting the relocation of a  
5 professional sports franchise located in this state.

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

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

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

23 (b) If a site selection organization selects a site for an  
24 event in this state pursuant to an application by a local organizing  
25 committee, endorsing municipality, or endorsing county, not later  
26 than three months before the date of the event, the department  
27 [~~comptroller~~] shall determine for the 30-day period that ends at

1 the end of the day after the date on which the event will be held or,  
2 if the event occurs on more than one day, after the last date on  
3 which the event will be held, in accordance with procedures  
4 developed by the department [~~comptroller~~]:

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

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

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

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

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

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

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

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

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

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

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

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

26 (e) In addition to the tax revenue deposited in the Events  
27 trust fund under Subsection (d) of this section, an endorsing

1 municipality or endorsing county may guarantee its obligations  
2 under an event support contract and this section by pledging  
3 surcharges from user fees, including parking or ticket fees,  
4 charged in connection with the event. An endorsing municipality or  
5 endorsing county may collect and remit to the department  
6 [~~comptroller~~] surcharges and user fees attributable to the event  
7 for deposit into the Events trust fund.

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

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

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

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

24 (j) The department [~~comptroller~~] shall provide an estimate  
25 not later than three months before the date of an event of the total  
26 amount of tax revenue that would be transferred into or deposited in  
27 the Events trust fund under this section in connection with that

1 event, if the event were to be held in this state at a site selected  
2 pursuant to an application by a local organizing committee,  
3 endorsing municipality, or endorsing county. The department  
4 [~~comptroller~~] shall provide the estimate on request to a local  
5 organizing committee, endorsing municipality, or endorsing county.  
6 A local organizing committee, endorsing municipality, or endorsing  
7 county may submit the department's [~~comptroller's~~] estimate to a  
8 site selection organization.

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



1 relieving a local organizing committee's, endorsing  
2 municipality's, or endorsing county's obligation to pay a cost  
3 under the contract.

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

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

9 (2) constructing an arena, stadium, or convention  
10 center; or

11 (3) conducting usual and customary maintenance of a  
12 facility.

13 (m) On payment of all state, municipal, or county  
14 obligations under an event support contract related to the location  
15 of any particular event in this state, the department [~~comptroller~~]  
16 shall remit to each endorsing entity, in proportion to the amount  
17 contributed by the entity, any money remaining in the Events trust  
18 fund.

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

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

27 (q) In determining the amount of state revenue available

1 under Subsection (b)(1) of this section, the department  
2 [~~comptroller~~] may consider whether:

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

5 (2) changes to the character of the event could affect  
6 the incremental increase in receipts collected and remitted to the  
7 state by an endorsing county or endorsing municipality under that  
8 subsection.

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

15 (t) 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 Events trust fund in proportion to  
24 the discrepancy between the actual and estimated attendance and in  
25 proportion to the amount contributed to the fund by the entity. The  
26 department [~~comptroller~~] by rule shall define "significantly  
27 lower" for purposes of this subsection and provide the manner in

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

4 SECTION 10. Section 6(b), Chapter 1507 (S.B. 456), Acts of  
5 the 76th Legislature, Regular Session, 1999 (Article 5190.14,  
6 Vernon's Texas Civil Statutes), is amended to read as follows:

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

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

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

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

25 SECTION 11. Chapter 1507 (S.B. 456), Acts of the 76th  
26 Legislature, Regular Session, 1999 (Article 5190.14, Vernon's  
27 Texas Civil Statutes), is amended by adding Section 12 to read as

1 follows:

2 Sec. 12. LOCAL GOVERNMENT CORPORATION AS ENDORSING  
3 MUNICIPALITY OR COUNTY. (a) This section applies only to a local  
4 government corporation that:

5 (1) is authorized to collect a municipal hotel  
6 occupancy tax; and

7 (2) is located in a county with a population of 3.3  
8 million or more.

9 (b) A local government corporation may act as an endorsing  
10 municipality or endorsing county under this Act.

11 (c) A local government corporation acting as an endorsing  
12 municipality or endorsing county under this Act shall remit for  
13 deposit into the trust fund established for the games or event the  
14 amounts determined by the comptroller under this Act. The  
15 comptroller shall determine the incremental increase in receipts  
16 attributable to the games or event and related activities under  
17 that chapter based on the amount of applicable taxes imposed by each  
18 municipality or county that comprises the local government  
19 corporation and not on the amount of taxes imposed by the local  
20 government corporation.

21 (d) A local government corporation acting as an endorsing  
22 municipality or endorsing county under this Act may guarantee the  
23 local government corporation's obligations under a games or event  
24 support contract by pledging surcharges from user fees, including  
25 parking or ticket fees, charged in connection with the games or  
26 event and related activities.

27 (e) Subject to Subsection (c), a local government

1 corporation acting as an endorsing municipality or endorsing county  
2 under this Act, as authorized by this section, has all the powers of  
3 an endorsing municipality or endorsing county under this Act, and  
4 any action an endorsing municipality or endorsing county is  
5 required to take by ordinance or order under this Act may be taken  
6 by order or resolution of the local government corporation.

7 SECTION 12. The following laws are repealed:

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

11 (2) Chapter 398, Local Government Code.

12 SECTION 13. As soon as is practicable after the effective  
13 date of this Act, but not later than September 10, 2015, the office  
14 of the governor and the comptroller of public accounts shall  
15 develop and adopt a memorandum of understanding that:

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

19 (2) establishes a plan for the identification and  
20 transfer of records, property, and unspent appropriations of the  
21 comptroller that are used for purposes of managing the funds  
22 transferred to the office of the governor.

23 SECTION 14. (a) Not later than September 10, 2015:

24 (1) the administration of the Pan American Games trust  
25 fund, Olympic Games trust fund, Major Events trust fund, Motor  
26 Sports Racing trust fund, and Events trust fund for sporting and  
27 non-sporting events shall be transferred from the comptroller of

1 public accounts to the Texas Economic Development and Tourism  
2 Office;

3           (2) all rules, forms, policies, procedures, or  
4 decisions of the comptroller that are related to the trust funds  
5 described by Subdivision (1) of this subsection are continued in  
6 effect as rules, forms, policies, procedures, or decisions of the  
7 Economic Development and Tourism Division, Office of the Governor,  
8 until superseded by a rule or other appropriate act of the Texas  
9 Economic Development and Tourism Office; and

10           (3) a reference in law or administrative rule to the  
11 comptroller relating to the decisions for and administration of the  
12 trust funds described by Subdivision (1) of this subsection, other  
13 than a duty typically performed by the comptroller related to a  
14 state fund, means the Texas Economic Development and Tourism  
15 Office.

16           (b) Before the transfer of the administration of the Pan  
17 American Games trust fund, Olympic Games trust fund, Major Events  
18 trust fund, Motor Sports Racing trust fund, and Events trust fund  
19 for sporting and non-sporting events, the comptroller of public  
20 accounts and the Texas Economic Development and Tourism Office  
21 shall coordinate the transfer of powers and duties, including  
22 records and other items, in accordance with the memorandum of  
23 understanding adopted under Section 13 of this Act, to ensure a  
24 smooth transition.

25           SECTION 15. Notwithstanding the repeal by this Act of  
26 Chapter 398, Local Government Code, a special event plan approved  
27 under former Chapter 398 of that code before September 1, 2015, is

1 governed by the law as it existed immediately before the effective  
2 date of this Act, and that law is continued in effect for that  
3 purpose.

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

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 633 passed the Senate on April 9, 2015, by the following vote: Yeas 29, Nays 2; and that the Senate concurred in House amendments on May 29, 2015, by the following vote: Yeas 27, Nays 4.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 633 passed the House, with amendments, on May 26, 2015, by the following vote: Yeas 116, Nays 31, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor