

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 27, 2015

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB633 by Fraser (Relating to certain event trust funds and the abolishment of the special event trust fund.), **As Passed 2nd House**

The fiscal implications of the bill cannot be determined at this time. The fiscal impact would depend on the number and size of events covered under the bill.

The bill would amend Vernon's Texas Civil Statutes and Local Government Code relating to the Pan American Games trust fund, Olympic Games trust fund, Major Events trust fund, Motor Sports Racing trust fund and Events trust fund. The bill would repeal and eliminate the Special Event trust fund. The bill would transfer the administration from the Comptroller of Public Accounts to the Office of the Governor. The bill would add certain events as eligible for the Major Events trust fund and add certain eligible site selection organizations. Eligibility for participation in the METF is limited to those events listed in statute, provided that the site selection organization selecting a site is also listed in statute.

The bill would permit a local government corporation (corporation) which is authorized to collect a municipal hotel occupancy tax and which is located in a county with a population of more than 3.3 million to act as a municipality or county as it relates to Article 5190.14, Vernon's Texas Civil Statutes. The corporation would be allowed to (1) request the establishment of a trust fund for a game or event, (2) have all the powers of an endorsing municipality or county under Article 5190.14, and (3) guarantee obligations under an event support contract by pledging fees and surcharges it might collect in connection with an event. The Comptroller would be required to determine the incremental increase in tax receipts attributable to the game or event, which is used to determine the local share, based on the amount of applicable taxes imposed by the cities or counties that comprise the corporation and not on the amount of taxes imposed by corporation. The corporation would pledge its own funds (taxes, fees, etc.) towards the local share.

The bill could potentially expand the number of events eligible to receive funding through the events trust funds. The specific fiscal impact to the state is unknown as the size and number of events that would become eligible and held in this state is unknown.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 304 Comptroller of Public Accounts

LBB Staff: UP, CL, EP, LBe, LCO