**BILL ANALYSIS**

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| Senate Research Center | H.B. 3294 |
| 85R12370 DMS-F | By: Parker et al. (Estes) |
|  | Natural Resources & Economic Development |
|  | 5/13/2017 |
|  | Engrossed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

This bill adds two NASCAR races to the list of events eligible for the Major Events Reimbursement Program (MERP): (1) The NASCAR All-Star Race, and (2) The season-ending NASCAR Championship Race. The MERP is an incentive program whereby the Office of the Governor generates a pre-event estimate of the incremental increase in tax receipts that will be attributable to event over a 12-month period beginning 10 months before the event and ending 2 months after the event. The estimate by the Office of the Governor dictates the size of the trust fund. After the size of the trust fund is set, revenue from the following taxes may be deposited into the trust fund:

State:

Ch. 151 - State Sales and Use Tax

Ch. 152 - Motor Vehicles Sales Tax

Ch. 156 - Hotel Occupancy Tax

Ch. 183 - Mixed Beverage Tax

Title 5 of Alcoholic Beverage Code

City/County:

Ch. 351 - Hotel Occupancy Tax (city)

Ch. 352 - Hotel Occupancy Tax (county)

Ch. 321.101(a) - Sales and Use Tax (city)

Ch. 323.101(a) - Sales and Use Tax (county)

Ch. 183.051(b) - Mixed Beverage Tax (county)

State taxes make up 86 percent of the trust fund, and local taxes make up 14 percent of the trust fund. The funds may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county to fulfill obligations of the state, or an endorsing municipality, or endorsing county, to a site selection organization under a game/event support contract. The obligations may include the payment of costs relating to any preparations necessary or desirable for the conduct of the event.

H.B. 3294 amends current law relating to the eligibility of certain NASCAR events to receive funding through the Major Events Reimbursement Program.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 5A(a)(4), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes (V.T.C.S.)), to redefine "event" to include the National Association for Stock Car Auto Racing (NASCAR) All-Star Race, the season-ending Championship Race for NASCAR.

SECTION 2. Makes application of this Act prospective, regarding a request submitted to certain entities under Section 5A, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14 (Pan American Games; Olympic Games), V.T.C.S.).

SECTION 3. Effective date: upon passage or September 1, 2017.